

Volume 1

STATUTES OF CALIFORNIA

AND DIGESTS OF MEASURES

1994

Constitution of 1879 as Amended

Measures Submitted to Vote of Electors,
Primary Election, June 7, 1994
and General Election, November 8, 1994

General Laws, Amendments to the Codes, Resolutions,
and Constitutional Amendments passed by the
California Legislature

1993–94 Regular Session
1993–94 First Extraordinary Session



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EFFECTIVE DATES

Regular Session

The 1993–94 Regular Session reconvened on January 3, 1994, and adjourned sine die on November 30, 1994. Statutes enacted in 1994, other than those taking immediate effect, will become effective January 1, 1995.

The effective date of a joint or concurrent resolution is the date it is filed with the Secretary of State.

An initiative statute or referendum or a constitutional amendment proposed by the Legislature and adopted by the people takes effect the day after the election unless the measure provides otherwise.

Statutes Which Take Effect Immediately. An urgency statute, and a statute calling an election, providing for a tax levy, or making an appropriation for the usual current expenses of the state may take effect immediately. Such a statute becomes *effective* on the date it is filed with the Secretary of State.

Operative Date. The provisions of a statute normally become operative on the date it takes effect. However, any statute may, by its own terms, delay the *operation* of its provisions until the happening of some contingency or until a specified time. Also, a later statute or a general provision in a particular code may delay the operation of a statute to a time after its effective date.

Extraordinary Session

The 1993–94 First Extraordinary Session convened on January 4, 1993, and adjourned sine die on August 31, 1994. Statutes enacted at an extraordinary session, other than those taking immediate effect, will become effective on the 91st day after adjournment. The 91st day after adjournment is November 30, 1994.

The effective date of a concurrent resolution is the date it is filed with the Secretary of State.

CONSTITUTIONAL AMENDMENTS

Adopted Since Publication of Statutes of 1993

NOTE: Since the publication of the Statutes of 1993, the following changes were adopted at the Primary Election, June 7, 1994, and the General Election, November 8, 1994:

<i>Article</i>	<i>Section</i>	<i>Change</i>	<i>Constitutional amendment number</i>	<i>Year</i>	<i>Resolution chapter number</i>	<i>Proposition number</i>	<i>Subject</i>
I	12	Amendment	ACA 37	1994	95	189	Bail Exception. Felony Sexual Assault.
II	15	Amendment	SCA 38	1994	59	183	Recall Elections. State Officers.
VI	1	Amendment	SCA 7	1994	113	191	Justice Courts.
	5	Amendment	SCA 7	1994	113	191	Justice Courts.
	6	Amendment	SCA 7	1994	113	191	Justice Courts.
	8	Amendment	ACA 46	1994	111	190	Commission on Judicial Performance.
	11	Amendment	SCA 7	1994	113	191	Justice Courts.
	15	Amendment	SCA 7	1994	113	191	Justice Courts.
	18	Amendment	ACA 46	1994	111	190	Commission on Judicial Performance.
	18.5	Addition	ACA 46	1994	111	190	Commission on Judicial Performance.
XIII	26	Amendment	SCA 15	1993	67	176	Taxation: Nonprofit Organizations.
XIII A	2	Amendment	ACA 8	1993	92	177	Property Tax Exemption. Disabled Persons' Access.

PROPOSED CHANGES IN CONSTITUTION

NOTE: The following proposed changes were defeated at the Primary Election, June 7, 1994, and the General Election, November 8, 1994:

<i>Article</i>	<i>Section</i>	<i>Proposed change</i>	<i>Constitutional amendment number</i>	<i>Year</i>	<i>Resolution chapter number</i>	<i>Proposition number</i>	<i>Subject</i>
XIII	26.5	Addition	SCA 9	1993	42	175	Renters' Income Tax Credit.
XIII A	24	Amendment	SCA 4	1993	93	178	Property Tax Exclusion. Water Conservation Equipment.
XIII B	13	Addition	Initiative Measure	1994	—	186	Health Services. Taxes.
XVI	20	Addition	Initiative Measure	1994	—	186	Health Services. Taxes.

**CONSTITUTION OF THE STATE
OF CALIFORNIA**

1879

CONSTITUTION OF THE STATE OF CALIFORNIA *

AS AMENDED AND IN FORCE NOVEMBER 8, 1994

PREAMBLE

We, the People of the State of California, grateful to Almighty God for our freedom, in order to secure and perpetuate its blessings, do establish this Constitution.

ARTICLE I

DECLARATION OF RIGHTS

SECTION 1. [*Repealed November 5, 1974. See Section 1, below.*]

[*Inalienable Rights*]

SECTION 1. All people are by nature free and independent and have inalienable rights. Among these are enjoying and defending life and liberty, acquiring, possessing, and protecting property, and pursuing and obtaining safety, happiness, and privacy. [*New section adopted November 5, 1974.*]

[*Liberty of Speech and of the Press—Newspersons' Refusal to Disclose Information Sources Not Adjudged in Contempt*]

SEC. 2. (a) Every person may freely speak, write and publish his or her sentiments on all subjects, being responsible for the abuse of this right. A law may not restrain or abridge liberty of speech or press.

(b) A publisher, editor, reporter, or other person connected with or employed upon a newspaper, magazine, or other periodical publication, or by a press association or wire service, or any person who has been so connected or employed, shall not be adjudged in contempt by a judicial, legislative, or administrative body, or any other body having the power to issue subpoenas, for refusing to disclose the source of any information procured while so connected or employed for publication in a newspaper, magazine or other periodical publication, or for refusing to disclose any unpublished information obtained or prepared in gathering, receiving or processing of information for communication to the public.

Nor shall a radio or television news reporter or other person connected with or employed by a radio or television station, or any person who has been so connected or employed, be so adjudged in contempt for refusing to disclose the source of any information procured while so connected or employed for news or news commentary purposes on radio or television, or for refusing to disclose any unpublished informa-

* Adopted by the people on May 7, 1879. Certain spelling and capitalization variances reflect State Printer's style in effect at time of adoption of amendments.

tion obtained or prepared in gathering, receiving or processing of information for communication to the public.

As used in this subdivision, "unpublished information" includes information not disseminated to the public by the person from whom disclosure is sought, whether or not related information has been disseminated and includes, but is not limited to, all notes, outtakes, photographs, tapes or other data of whatever sort not itself disseminated to the public through a medium of communication, whether or not published information based upon or related to such material has been disseminated. [*As amended June 3, 1980.*]

[*Right to Assemble and to Petition*]

SEC. 3. The people have the right to instruct their representatives, petition government for redress of grievances, and assemble freely to consult for the common good. [*New section adopted November 5, 1974.*]

SEC. 4. [*Repealed November 5, 1974. See Section 4, below.*]

[*Liberty of Conscience*]

SEC. 4. Free exercise and enjoyment of religion without discrimination or preference are guaranteed. This liberty of conscience does not excuse acts that are licentious or inconsistent with the peace or safety of the State. The Legislature shall make no law respecting an establishment of religion.

A person is not incompetent to be a witness or juror because of his or her opinions on religious beliefs. [*New section adopted November 5, 1974.*]

SEC. 5. [*Repealed November 5, 1974. See Section 5, below.*]

[*The Military*]

SEC. 5. The military is subordinate to civil power. A standing army may not be maintained in peacetime. Soldiers may not be quartered in any house in wartime except as prescribed by law, or in peacetime without the owner's consent. [*New section adopted November 5, 1974.*]

SEC. 6. [*Repealed November 5, 1974. See Section 6, below.*]

[*Slavery Prohibited*]

SEC. 6. Slavery is prohibited. Involuntary servitude is prohibited except to punish crime. [*New section adopted November 5, 1974.*]

[*Due Process of Law—Use of Pupil School Assignment or Pupil Transportation*]

SEC. 7. (a) A person may not be deprived of life, liberty, or property without due process of law or denied equal protection of the laws; provided, that nothing contained herein or elsewhere in this Constitution imposes upon the State of California or any public entity, board, or official any obligations or responsibilities which exceed those imposed by the Equal Protection Clause of the 14th Amendment to the United

States Constitution with respect to the use of pupil school assignment or pupil transportation. In enforcing this subdivision or any other provision of this Constitution, no court of this State may impose upon the State of California or any public entity, board, or official any obligation or responsibility with respect to the use of pupil school assignment or pupil transportation, (1) except to remedy a specific violation by such party that would also constitute a violation of the Equal Protection Clause of the 14th Amendment to the United States Constitution, and (2) unless a federal court would be permitted under federal decisional law to impose that obligation or responsibility upon such party to remedy the specific violation of the Equal Protection Clause of the 14th Amendment of the United States Constitution.

Except as may be precluded by the Constitution of the United States, every existing judgment, decree, writ, or other order of a court of this State, whenever rendered, which includes provisions regarding pupil school assignment or pupil transportation, or which requires a plan including any such provisions shall, upon application to a court having jurisdiction by any interested person, be modified to conform to the provisions of this subdivision as amended, as applied to the facts which exist at the time of such modification.

In all actions or proceedings arising under or seeking application of the amendments to this subdivision proposed by the Legislature at its 1979-80 Regular Session, all courts, wherein such actions or proceedings are or may hereafter be pending, shall give such actions or proceedings first precedence over all other civil actions therein.

Nothing herein shall prohibit the governing board of a school district from voluntarily continuing or commencing a school integration plan after the effective date of this subdivision as amended.

In amending this subdivision, the Legislature and people of the State of California find and declare that this amendment is necessary to serve compelling public interests, including those of making the most effective use of the limited financial resources now and prospectively available to support public education, maximizing the educational opportunities and protecting the health and safety of all public school pupils, enhancing the ability of parents to participate in the educational process, preserving harmony and tranquility in this State and its public schools, preventing the waste of scarce fuel resources, and protecting the environment.

[Privileges and Immunities]

(b) A citizen or class of citizens may not be granted privileges or immunities not granted on the same terms to all citizens. Privileges or immunities granted by the Legislature may be altered or revoked. *[As amended November 6, 1979.]*

[Sex, Race, Etc., Not a Disqualification for Business]

SEC. 8. A person may not be disqualified from entering or pursuing a business, profession, vocation, or employment because of sex, race,

creed, color, or national or ethnic origin. [*Former Section 18 of Article XX, as renumbered and amended November 5, 1974.*]

SEC. 9. [*Repealed November 5, 1974. See Section 9, below.*]

[*Bill of Attainder—Ex Post Facto Law—Obligation of Contract*]

SEC. 9. A bill of attainder, ex post facto law, or law impairing the obligation of contracts may not be passed. [*New section adopted November 5, 1974.*]

SEC. 10. [*Repealed November 5, 1974. See Section 10, below.*]

[*Detention of Witnesses—No Imprisonment for Debt*]

SEC. 10. Witnesses may not be unreasonably detained. A person may not be imprisoned in a civil action for debt or tort, or in peacetime for a militia fine. [*New section adopted November 5, 1974.*]

SEC. 11. [*Repealed November 5, 1974. See Section 11, below.*]

[*Suspension of Habeas Corpus*]

SEC. 11. Habeas corpus may not be suspended unless required by public safety in cases of rebellion or invasion. [*New section adopted November 5, 1974.*]

[*Bail—Release on Own Recognizance*]

SEC. 12. A person shall be released on bail by sufficient sureties, except for:

(a) Capital crimes when the facts are evident or the presumption great;

(b) Felony offenses involving acts of violence on another person, or felony sexual assault offenses on another person, when the facts are evident or the presumption great and the court finds based upon clear and convincing evidence that there is a substantial likelihood the person's release would result in great bodily harm to others; or

(c) Felony offenses when the facts are evident or the presumption great and the court finds based on clear and convincing evidence that the person has threatened another with great bodily harm and that there is a substantial likelihood that the person would carry out the threat if released.

Excessive bail may not be required. In fixing the amount of bail, the court shall take into consideration the seriousness of the offense charged, the previous criminal record of the defendant, and the probability of his or her appearing at the trial or hearing of the case.

A person may be released on his or her own recognizance in the court's discretion. [*As amended November 8, 1994.*]

SEC. 13. [*Repealed November 5, 1974. See Section 13, below.*]

[*Unreasonable Seizure and Search—Warrant*]

SEC. 13. The right of the people to be secure in their persons, houses, papers, and effects against unreasonable seizures and searches

may not be violated; and a warrant may not issue except on probable cause, supported by oath or affirmation, particularly describing the place to be searched and the persons and things to be seized. [*New section adopted November 5, 1974.*]

SEC. 14. [*Repealed November 5, 1974. See Section 14, below.*]

[*Felony Defendant Before Magistrate—Prosecutions*]

SEC. 14. Felonies shall be prosecuted as provided by law, either by indictment or, after examination and commitment by a magistrate, by information.

A person charged with a felony by complaint subscribed under penalty of perjury and on file in a court in the county where the felony is triable shall be taken without unnecessary delay before a magistrate of that court. The magistrate shall immediately give the defendant a copy of the complaint, inform the defendant of the defendant's right to counsel, allow the defendant a reasonable time to send for counsel, and on the defendant's request read the complaint to the defendant. On the defendant's request the magistrate shall require a peace officer to transmit within the county where the court is located a message to counsel named by defendant.

A person unable to understand English who is charged with a crime has a right to an interpreter throughout the proceedings. [*New section adopted November 5, 1974.*]

[*Felony—Prosecution by Indictment*]

SEC. 14.1. If a felony is prosecuted by indictment, there shall be no postindictment preliminary hearing. [*New section adopted June 5, 1990. Initiative measure.*]

SEC. 14½. [*Repealed November 5, 1974.*]

SEC. 15. [*Repealed November 5, 1974. See Section 15, below.*]

[*Criminal Prosecutions—Rights of Defendant—Due Process of Law—Jeopardy—Depositions—Assistance of Counsel*]

SEC. 15. The defendant in a criminal cause has the right to a speedy public trial, to compel attendance of witnesses in the defendant's behalf, to have the assistance of counsel for the defendant's defense, to be personally present with counsel, and to be confronted with the witnesses against the defendant. The Legislature may provide for the deposition of a witness in the presence of the defendant and the defendant's counsel.

Persons may not twice be put in jeopardy for the same offense, be compelled in a criminal cause to be a witness against themselves, or be deprived of life, liberty, or property without due process of law. [*New section adopted November 5, 1974.*]

[*Trial by Jury*]

SEC. 16. Trial by jury is an inviolate right and shall be secured to all, but in a civil cause three-fourths of the jury may render a verdict. A jury may be waived in a criminal cause by the consent of both parties expressed in open court by the defendant and the defendant's counsel. In a civil cause a jury may be waived by the consent of the parties expressed as prescribed by statute.

[*Number of Jurors in Civil Trials*]

In civil causes the jury shall consist of 12 persons or a lesser number agreed on by the parties in open court. In civil causes in municipal or justice court the Legislature may provide that the jury shall consist of eight persons or a lesser number agreed on by the parties in open court.

[*Number of Jurors in Criminal Trials*]

In criminal actions in which a felony is charged, the jury shall consist of 12 persons. In criminal actions in which a misdemeanor is charged, the jury shall consist of 12 persons or a lesser number agreed on by the parties in open court. [*As amended November 4, 1980.*]

SEC. 17. [*Repealed November 5, 1974. See Section 17, below.*]

[*Unusual Punishment—Excessive Fines*]

SEC. 17. Cruel or unusual punishment may not be inflicted or excessive fines imposed. [*New section adopted November 5, 1974.*]

SEC. 18. [*Repealed November 5, 1974. See Section 18, below.*]

[*Treason*]

SEC. 18. Treason against the State consists only in levying war against it, adhering to its enemies, or giving them aid and comfort. A person may not be convicted of treason except on the evidence of two witnesses to the same overt act or by confession in open court. [*New section adopted November 5, 1974.*]

SEC. 19. [*Repealed November 5, 1974. See Section 19, below.*]

[*Eminent Domain*]

SEC. 19. Private property may be taken or damaged for public use only when just compensation, ascertained by a jury unless waived, has first been paid to, or into court for, the owner. The Legislature may provide for possession by the condemnor following commencement of eminent domain proceedings upon deposit in court and prompt release to the owner of money determined by the court to be the probable amount of just compensation. [*New section adopted November 5, 1974.*]

SEC. 20. [Repealed November 5, 1974. See Section 20, below.]

[Rights of Noncitizens]

SEC. 20. Noncitizens have the same property rights as citizens. [New section adopted November 5, 1974.]

SEC. 21. [Repealed November 5, 1974. See Section 21, below.]

[Separate Property of Husband and Wife]

SEC. 21. Property owned before marriage or acquired during marriage by gift, will, or inheritance is separate property. [Former Section 8 of Article XX, as renumbered November 5, 1974.]

SEC. 22. [Repealed November 5, 1974. See Section 22, below.]

[No Property Qualification for Electors]

SEC. 22. The right to vote or hold office may not be conditioned by a property qualification. [New section adopted November 5, 1974.]

SEC. 23. [Repealed November 5, 1974. See Section 23, below.]

[Grand Juries]

SEC. 23. One or more grand juries shall be drawn and summoned at least once a year in each county. [New section adopted November 5, 1974.]

[Constitutional Rights—Rights Reserved]

SEC. 24. Rights guaranteed by this Constitution are not dependent on those guaranteed by the United States Constitution.

In criminal cases the rights of a defendant to equal protection of the laws, to due process of law, to the assistance of counsel, to be personally present with counsel, to a speedy and public trial, to compel the attendance of witnesses, to confront the witnesses against him or her, to be free from unreasonable searches and seizures, to privacy, to not be compelled to be a witness against himself or herself, to not be placed twice in jeopardy for the same offense, and to not suffer the imposition of cruel or unusual punishment, shall be construed by the courts of this State in a manner consistent with the Constitution of the United States. This Constitution shall not be construed by the courts to afford greater rights to criminal defendants than those afforded by the Constitution of the United States, nor shall it be construed to afford greater rights to minors in juvenile proceedings on criminal causes than those afforded by the Constitution of the United States.

This declaration of rights may not be construed to impair or deny others retained by the people. [As amended June 5, 1990. Initiative measure.]

[*Right to Fish*]

SECTION 25. The people shall have the right to fish upon and from the public lands of the State and in the waters thereof, excepting upon lands set aside for fish hatcheries, and no land owned by the State shall ever be sold or transferred without reserving in the people the absolute right to fish thereupon; and no law shall ever be passed making it a crime for the people to enter upon the public lands within this State for the purpose of fishing in any water containing fish that have been planted therein by the State; *provided*, that the Legislature may by statute, provide for the season when and the conditions under which the different species of fish may be taken. [*New section adopted November 8, 1910.*]

SEC. 26. [*Renumbered Section 1 of Article II June 8, 1976. See Section 26, below.*]

[*Constitution Mandatory and Prohibitory*]

SEC. 26. The provisions of this Constitution are mandatory and prohibitory, unless by express words they are declared to be otherwise. [*Former Section 28, as renumbered June 8, 1976.*]

SEC. 26a. [*Repealed November 8, 1949.*]

[*Death Penalty*]

SEC. 27. All statutes of this State in effect on February 17, 1972, requiring, authorizing, imposing, or relating to the death penalty are in full force and effect, subject to legislative amendment or repeal by statute, initiative, or referendum.

The death penalty provided for under those statutes shall not be deemed to be, or to constitute, the infliction of cruel or unusual punishments within the meaning of Article 1, Section 6 nor shall such punishment for such offenses be deemed to contravene any other provision of this constitution. [*New section adopted November 7, 1972. Initiative measure.*]

[*"The Victims' Bill of Rights"*]

SEC. 28. (a) The People of the State of California find and declare that the enactment of comprehensive provisions and laws ensuring a bill of rights for victims of crime, including safeguards in the criminal justice system to fully protect those rights, is a matter of grave statewide concern.

The rights of victims pervade the criminal justice system, encompassing not only the right to restitution from the wrongdoers for financial losses suffered as a result of criminal acts, but also the more basic expectation that persons who commit felonious acts causing injury to innocent victims will be appropriately detained in custody, tried by the courts, and sufficiently punished so that the public safety is protected and encouraged as a goal of highest importance.

Such public safety extends to public primary, elementary, junior high, and senior high school campuses, where students and staff have the right to be safe and secure in their persons.

To accomplish these goals, broad reforms in the procedural treatment of accused persons and the disposition and sentencing of convicted persons are necessary and proper as deterrents to criminal behavior and to serious disruption of people's lives.

(b) Restitution. It is the unequivocal intention of the People of the State of California that all persons who suffer losses as a result of criminal activity shall have the right to restitution from the persons convicted of the crimes for losses they suffer.

Restitution shall be ordered from the convicted persons in every case, regardless of the sentence or disposition imposed, in which a crime victim suffers a loss, unless compelling and extraordinary reasons exist to the contrary. The Legislature shall adopt provisions to implement this section during the calendar year following adoption of this section.

(c) Right to Safe Schools. All students and staff of public primary, elementary, junior high and senior high schools have the inalienable right to attend campuses which are safe, secure and peaceful.

(d) Right to Truth-in-Evidence. Except as provided by statute hereafter enacted by a two-thirds vote of the membership in each house of the Legislature, relevant evidence shall not be excluded in any criminal proceeding, including pretrial and post conviction motions and hearings, or in any trial or hearing of a juvenile for a criminal offense, whether heard in juvenile or adult court. Nothing in this section shall affect any existing statutory rule of evidence relating to privilege or hearsay, or Evidence Code, Sections 352, 782 or 1103. Nothing in this section shall affect any existing statutory or constitutional right of the press.

(e) Public Safety Bail. A person may be released on bail by sufficient sureties, except for capital crimes when the facts are evident or the presumption great. Excessive bail may not be required. In setting, reducing or denying bail, the judge or magistrate shall take into consideration the protection of the public, the seriousness of the offense charged, the previous criminal record of the defendant, and the probability of his or her appearing at the trial or hearing of the case. Public safety shall be the primary consideration.

A person may be released on his or her own recognizance in the court's discretion, subject to the same factors considered in setting bail. However, no person charged with the commission of any serious felony shall be released on his or her own recognizance.

Before any person arrested for a serious felony may be released on bail, a hearing may be held before the magistrate or judge, and the prosecuting attorney shall be given notice and reasonable opportunity to be heard on the matter.

When a judge or magistrate grants or denies bail or release on a person's own recognizance, the reasons for that decision shall be stated in the record and included in the court's minutes.

(f) Use of Prior Convictions. Any prior felony conviction of any person in any criminal proceeding, whether adult or juvenile, shall subsequently be used without limitation for purposes of impeachment or enhancement of sentence in any criminal proceeding. When a prior felony conviction is an element of any felony offense, it shall be proven to the trier of fact in open court.

(g) As used in this article, the term "serious felony" is any crime defined in Penal Code, Section 1192.7(c). [*New section adopted June 8, 1982. Initiative measure.*]

[*Criminal Cases—Due Process of Law—Speedy and Public Trial*]

SEC. 29. In a criminal case, the people of the State of California have the right to due process of law and to a speedy and public trial. [*New section adopted June 5, 1990. Initiative measure.*]

[*Criminal Cases—Jointure-Hearsay Evidence—Discovery*]

SEC. 30. (a) This Constitution shall not be construed by the courts to prohibit the joining of criminal cases as prescribed by the Legislature or by the people through the initiative process.

(b) In order to protect victims and witnesses in criminal cases, hearsay evidence shall be admissible at preliminary hearings, as prescribed by the Legislature or by the people through the initiative process.

(c) In order to provide for fair and speedy trials, discovery in criminal cases shall be reciprocal in nature, as prescribed by the Legislature or by the people through the initiative process. [*New section adopted June 5, 1990. Initiative measure.*]

ARTICLE II. [*Repealed November 7, 1972. See Article II, below.*]

ARTICLE II *

VOTING, INITIATIVE AND REFERENDUM, AND RECALL

[*Heading as amended June 8, 1976.*]

SEC. 1. [*Renumbered Section 2 June 8, 1976. See Section 1, below.*]

[*Purpose of Government*]

SECTION 1. All political power is inherent in the people. Government is instituted for their protection, security, and benefit, and they have the right to alter or reform it when the public good may require. [*Former Section 26 of Article I, as renumbered June 8, 1976.*]

* New Article II adopted November 7, 1972.

SEC. 1½. [Repealed November 7, 1972.]

SEC. 2. [Renumbered Section 3 June 8, 1976. See Section 2, below.]

[*Right to Vote*]

SEC. 2. A United States citizen 18 years of age and resident in this State may vote. [Former Section 1, as renumbered June 8, 1976.]

SEC. 2.5. [Repealed November 7, 1972.]

SEC. 2¾. [Repealed November 7, 1972.]

SEC. 3. [Renumbered Section 4 June 8, 1976. See Section 3, below.]

[*Residence—Registration—Free Elections*]

SEC. 3. The Legislature shall define residence and provide for registration and free elections. [Former Section 2, as renumbered June 8, 1976.]

SEC. 4. [Renumbered Section 5 June 8, 1976. See Section 4, below.]

[*Improper Practices That Affect Elections—Mentally Incompetent, Etc.*]

SEC. 4. The Legislature shall prohibit improper practices that affect elections and shall provide for the disqualification of electors while mentally incompetent or imprisoned or on parole for the conviction of a felony. [Former Section 3, as renumbered June 8, 1976.]

SEC. 5. [Renumbered Section 6 June 8, 1976. See Section 5, below.]

[*Primary Elections for Partisan Offices—Open Presidential Primary*]

SEC. 5. The Legislature shall provide for primary elections for partisan offices, including an open presidential primary whereby the candidates on the ballot are those found by the Secretary of State to be recognized candidates throughout the nation or throughout California for the office of President of the United States, and those whose names are placed on the ballot by petition, but excluding any candidate who has withdrawn by filing an affidavit of noncandidacy. [Former Section 4, as renumbered June 8, 1976.]

[*Nonpartisan Offices*]

SEC. 6. (a) All judicial, school, county, and city offices shall be nonpartisan.

(b) No political party or party central committee may endorse, support, or oppose a candidate for nonpartisan office. [As amended June 3, 1986.]

[*Voting—Secret*]

SEC. 7. Voting shall be secret. [Former Section 6, as renumbered June 8, 1976.]

[Initiative]

SEC. 8. (a) The initiative is the power of the electors to propose statutes and amendments to the Constitution and to adopt or reject them.

(b) An initiative measure may be proposed by presenting to the Secretary of State a petition that sets forth the text of the proposed statute or amendment to the Constitution and is certified to have been signed by electors equal in number to 5 percent in the case of a statute, and 8 percent in the case of an amendment to the Constitution, of the votes for all candidates for Governor at the last gubernatorial election.

(c) The Secretary of State shall then submit the measure at the next general election held at least 131 days after it qualifies or at any special statewide election held prior to that general election. The Governor may call a special statewide election for the measure.

(d) An initiative measure embracing more than one subject may not be submitted to the electors or have any effect. [*Former Section 22 of Article IV, as renumbered June 8, 1976.*]

[Referendum]

SEC. 9. (a) The referendum is the power of the electors to approve or reject statutes or parts of statutes except urgency statutes, statutes calling elections, and statutes providing for tax levies or appropriations for usual current expenses of the State.

(b) A referendum measure may be proposed by presenting to the Secretary of State, within 90 days after the enactment date of the statute, a petition certified to have been signed by electors equal in number to 5 percent of the votes for all candidates for Governor at the last gubernatorial election, asking that the statute or part of it be submitted to the electors. In the case of a statute enacted by a bill passed by the Legislature on or before the date the Legislature adjourns for a joint recess to reconvene in the second calendar year of the biennium of the legislative session, and in the possession of the Governor after that date, the petition may not be presented on or after January 1 next following the enactment date unless a copy of the petition is submitted to the Attorney General pursuant to subdivision (d) of Section 10 of Article II before January 1.

(c) The Secretary of State shall then submit the measure at the next general election held at least 31 days after it qualifies or at a special statewide election held prior to that general election. The Governor may call a special statewide election for the measure. [*As amended June 5, 1990.*]

[Initiative and Referendum—Vote and Effective Date—Conflicts—Legislative Repeal or Amendment—Titling]

SEC. 10. (a) An initiative statute or referendum approved by a majority of votes thereon takes effect the day after the election unless the

measure provides otherwise. If a referendum petition is filed against a part of a statute the remainder shall not be delayed from going into effect.

(b) If provisions of 2 or more measures approved at the same election conflict, those of the measure receiving the highest affirmative vote shall prevail.

(c) The Legislature may amend or repeal referendum statutes. It may amend or repeal an initiative statute by another statute that becomes effective only when approved by the electors unless the initiative statute permits amendment or repeal without their approval.

(d) Prior to circulation of an initiative or referendum petition for signatures, a copy shall be submitted to the Attorney General who shall prepare a title and summary of the measure as provided by law.

(e) The Legislature shall provide the manner in which petitions shall be circulated, presented, and certified, and measures submitted to the electors. [*Former Section 24 of Article IV, as renumbered June 8, 1976.*]

[Initiative and Referendum—Cities or Counties]

SEC. 11. Initiative and referendum powers may be exercised by the electors of each city or county under procedures that the Legislature shall provide. This section does not affect a city having a charter. [*Former Section 25 of Article IV, as renumbered June 8, 1976.*]

[Naming Individual or Private Corporation to Office or Duty Prohibited]

SEC. 12. No amendment to the Constitution, and no statute proposed to the electors by the Legislature or by initiative, that names any individual to hold any office, or names or identifies any private corporation to perform any function or to have any power or duty, may be submitted to the electors or have any effect. [*Former Section 26 of Article IV, as renumbered June 8, 1976.*]

[Recall Defined]

SEC. 13. Recall is the power of the electors to remove an elective officer. [*New section adopted June 8, 1976.*]

[Recall Petitions]

SEC. 14. (a) Recall of a state officer is initiated by delivering to the Secretary of State a petition alleging reason for recall. Sufficiency of reason is not reviewable. Proponents have 160 days to file signed petitions.

(b) A petition to recall a statewide officer must be signed by electors equal in number to 12 percent of the last vote for the office, with signatures from each of 5 counties equal in number to 1 percent of the last vote for the office in the county. Signatures to recall Senators, members

of the Assembly, members of the Board of Equalization, and judges of courts of appeal and trial courts must equal in number 20 percent of the last vote for the office.

(c) The Secretary of State shall maintain a continuous count of the signatures certified to that office. [*New section adopted June 8, 1976.*]

[*Recall Elections*]

SEC. 15. (a) An election to determine whether to recall an officer and, if appropriate, to elect a successor shall be called by the Governor and held not less than 60 days nor more than 80 days from the date of certification of sufficient signatures.

(b) A recall election may be conducted within 180 days from the date of certification of sufficient signatures in order that the election may be consolidated with the next regularly scheduled election occurring wholly or partially within the same jurisdiction in which the recall election is held, if the number of voters eligible to vote at that next regularly scheduled election equal at least 50 percent of all the voters eligible to vote at the recall election.

(c) If the majority vote on the question is to recall, the officer is removed and, if there is a candidate, the candidate who receives a plurality is the successor. The officer may not be a candidate, nor shall there be any candidacy for an office filled pursuant to subdivision (d) of Section 16 of Article VI. [*As amended November 8, 1994.*]

[*Legislature to Provide for Petitions, Etc.*]

SEC. 16. The Legislature shall provide for circulation, filing, and certification of petitions, nomination of candidates, and the recall election. [*New section adopted June 8, 1976.*]

[*Recall of Governor or Secretary of State*]

SEC. 17. If recall of the Governor or Secretary of State is initiated, the recall duties of that office shall be performed by the Lieutenant Governor or Controller, respectively. [*New section adopted June 8, 1976.*]

[*Reimbursement of Recall Election Expenses*]

SEC. 18. A state officer who is not recalled shall be reimbursed by the State for the officer's recall election expenses legally and personally incurred. Another recall may not be initiated against the officer until six months after the election. [*New section adopted June 8, 1976.*]

[*Recall of Local Officers*]

SEC. 19. The Legislature shall provide for recall of local officers. This section does not affect counties and cities whose charters provide for recall. [*New section adopted June 8, 1976.*]

[*Terms of Elective Offices*]

SEC. 20. Terms of elective offices provided for by this Constitution, other than Members of the Legislature, commence on the Monday after January 1 following election. The election shall be held in the last even-numbered year before the term expires. [*New section adopted June 8, 1976.*]

ARTICLE III. [*Repealed November 7, 1972. See Article III, below.*]

ARTICLE III *

STATE OF CALIFORNIA

[*United States Constitution Supreme Law*]

SEC. 1. The State of California is an inseparable part of the United States of America, and the United States Constitution is the supreme law of the land. [*New section adopted November 7, 1972.*]

[*Boundaries of the State—Sacramento Seat of Government*]

SEC. 2. The boundaries of the State are those stated in the Constitution of 1849 as modified pursuant to statute. Sacramento is the capital of California. [*New section adopted November 7, 1972.*]

[*Separation of Powers*]

SEC. 3. The powers of state government are legislative, executive, and judicial. Persons charged with the exercise of one power may not exercise either of the others except as permitted by this Constitution. [*New section adopted November 7, 1972.*]

[*Administrative Agencies: Declaration Statute Unenforceable or Unconstitutional Prohibited*]

SEC. 3.5. An administrative agency, including an administrative agency created by the Constitution or an initiative statute, has no power:

(a) To declare a statute unenforceable, or refuse to enforce a statute, on the basis of it being unconstitutional unless an appellate court has made a determination that such statute is unconstitutional;

(b) To declare a statute unconstitutional;

(c) To declare a statute unenforceable, or to refuse to enforce a statute on the basis that federal law or federal regulations prohibit the enforcement of such statute unless an appellate court has made a determination that the enforcement of such statute is prohibited by federal law or federal regulations. [*New section adopted June 6, 1978.*]

* New Article III adopted November 7, 1972.

[*Salaries of Elected State Officers—Salaries of Judges*]

SEC. 4. (a) Except as provided in subdivision (b), salaries of elected state officers may not be reduced during their term of office. Laws that set these salaries are appropriations.

(b) Beginning on January 1, 1981, the base salary of a judge of a court of record shall equal the annual salary payable as of July 1, 1980, for that office had the judge been elected in 1978. The Legislature may prescribe increases in those salaries during a term of office, and it may terminate prospective increases in those salaries at any time during a term of office, but it shall not reduce the salary of a judge during a term of office below the highest level paid during that term of office. Laws setting the salaries of judges shall not constitute an obligation of contract pursuant to Section 9 of Article I or any other provision of law. [*As amended November 4, 1980.*]

[*Suits Against State*]

SEC. 5. Suits may be brought against the State in such manner and in such courts as shall be directed by law. [*New section adopted November 7, 1972.*]

[*Official State Language*]

SEC. 6. (a) Purpose.

English is the common language of the people of the United States of America and the State of California. This section is intended to preserve, protect and strengthen the English language, and not to supersede any of the rights guaranteed to the people by this Constitution.

(b) English as the Official Language of California.

English is the official language of the State of California.

(c) Enforcement.

The Legislature shall enforce this section by appropriate legislation. The Legislature and officials of the State of California shall take all steps necessary to insure that the role of English as the common language of the State of California is preserved and enhanced. The Legislature shall make no law which diminishes or ignores the role of English as the common language of the State of California.

(d) Personal Right of Action and Jurisdiction of Courts.

Any person who is a resident of or doing business in the State of California shall have standing to sue the State of California to enforce this section, and the Courts of record of the State of California shall have jurisdiction to hear cases brought to enforce this section. The Legislature may provide reasonable and appropriate limitations on the time and manner of suits brought under this section. [*New section adopted November 4, 1986. Initiative measure.*]

[*Retirement Benefits for Elected Constitutional Officers*]

SEC. 7. (a) The retirement allowance for any person, all of whose credited service in the Legislators' Retirement System was rendered or

was deemed to have been rendered as an elective officer of the State whose office is provided for by the California Constitution, other than a judge and other than a Member of the Senate or Assembly, and all or any part of whose retirement allowance is calculated on the basis of the compensation payable to the officer holding the office which the member last held prior to retirement, or for the survivor or beneficiary of such a person, shall not be increased or affected in any manner by changes on or after November 5, 1986, in the compensation payable to the officer holding the office which the member last held prior to retirement.

(b) This section shall apply to any person, survivor, or beneficiary described in subdivision (a) who receives, or is receiving, from the Legislators' Retirement System a retirement allowance on or after November 5, 1986, all or any part of which allowance is calculated on the basis of the compensation payable to the officer holding the office which the member last held prior to retirement.

(c) It is the intent of the people, in adopting this section, to restrict retirement allowances to amounts reasonably to be expected by certain members and retired members of the Legislators' Retirement System and to preserve the basic character of earned retirement benefits while prohibiting windfalls and unforeseen advantages which have no relation to the real theory and objective of a sound retirement system. It is not the intent of this section to deny any member, retired member, survivor, or beneficiary a reasonable retirement allowance. Thus, this section shall not be construed as a repudiation of a debt nor the impairment of a contract for a substantial and reasonable retirement allowance from the Legislators' Retirement System.

(d) The people and the Legislature hereby find and declare that the dramatic increase in the retirement allowances of persons described in subdivision (a) which would otherwise result when the compensation for those offices increases on November 5, 1986, or January 5, 1987, are not benefits which could have reasonably been expected. The people and the Legislature further find and declare that the Legislature did not intend to provide in its scheme of compensation for those offices such windfall benefits. [*New section adopted November 4, 1986.*]

[*California Citizens Compensation Commission*]

SEC. 8. (a) The California Citizens Compensation Commission is hereby created and shall consist of seven members appointed by the Governor. The commission shall establish the annual salary and the medical dental, insurance, and other similar benefits of state officers.

(b) The commission shall consist of the following persons:

(1) Three public members, one of whom has expertise in the area of compensation, such as an economist, market researcher, or personnel manager; one of whom is a member of a nonprofit public interest organization; and one of whom is representative of the general population and may include, among others, a retiree, homemaker, or person of median income. No person appointed pursuant to this paragraph

may, during the 12 months prior to his or her appointment, have held public office, either elective or appointive, have been a candidate for elective public office, or have been a lobbyist, as defined by the Political Reform Act of 1974.

(2) Two members who have experience in the business community, one of whom is an executive of a corporation incorporated in this State which ranks among the largest private sector employers in the State based on the number of employees employed by the corporation in this State and one of whom is an owner of a small business in this State.

(3) Two members, each of whom is an officer or member of a labor organization.

(c) The Governor shall strive insofar as practicable to provide a balanced representation of the geographic, gender, racial, and ethnic diversity of the State in appointing commission members.

(d) The Governor shall appoint commission members and designate a chairperson for the commission not later than 30 days after the effective date of this section. The terms of two of the initial appointees shall expire on December 31, 1992, two on December 31, 1994, and three on December 31, 1996, as determined by the Governor. Thereafter, the term of each member shall be six years. Within 15 days of any vacancy, the Governor shall appoint a person to serve the unexpired portion of the term.

(e) No current or former officer or employee of this State is eligible for appointment to the commission.

(f) Public notice shall be given of all meetings of the commission, and the meetings shall be open to the public.

(g) On or before December 3, 1990, the commission shall, by a single resolution adopted by a majority of the membership of the commission, establish the annual salary and the medical, dental, insurance, and other similar benefits of state officers. The annual salary and benefits specified in that resolution shall be effective on and after December 3, 1990.

Thereafter, at or before the end of each of each fiscal year, the commission shall, by a single resolution adopted by a majority of the membership of the commission, adjust the annual salary and the medical, dental, insurance, and other similar benefits of state officers. The annual salary and benefits specified in the resolution shall be effective on and after the first Monday of the next December.

(h) In establishing or adjusting the annual salary and the medical, dental, insurance, and other similar benefits, the commission shall consider all of the following:

(1) The amount of time directly or indirectly related to the performance of the duties, functions, and services of a state officer.

(2) The amount of the annual salary and the medical, dental, insurance, and other similar benefits for other elected and appointed officers and officials in this State with comparable responsibilities, the judiciary, and, to the extent practicable, the private sector, recognizing, however, that state officers do not receive, and do not expect to re-

ceive, compensation at the same levels as individuals in the private sector with comparable experience and responsibilities.

(3) The responsibility and scope of authority of the entity in which the state officer serves.

(i) Until a resolution establishing or adjusting the annual salary and the medical, dental, insurance, and other similar benefits for state officers takes effect, each state officer shall continue to receive the same annual salary and the medical, dental, insurance, and other similar benefits received previously.

(j) All commission members shall receive their actual and necessary expenses, including travel expenses, incurred in the performance of their duties. Each member shall be compensated at the same rate as members, other than the chairperson, of the Fair Political Practices Commission, or its successor, for each day engaged in official duties, not to exceed 45 days per year.

(k) It is the intent of the Legislature that the creation of the commission should not generate new state costs for staff and services. The Department of Personnel Administration, the Board of Administration of the Public Employees' Retirement System, or other appropriate agencies, or their successors, shall furnish, from existing resources, staff and services to the commission as needed for the performance of its duties.

(l) "State officer," as used in this section, means the Governor, Lieutenant Governor, Attorney General, Controller, Insurance Commissioner, Secretary of State, Superintendent of Public Instruction, Treasurer, member of the State Board of Equalization, and Member of the Legislature. [*New section adopted June 5, 1990.*]

ARTICLE IV

LEGISLATIVE

[*Heading as amended November 8, 1966.*]

SECTION 1. [*Repealed November 8, 1966. See Section 1, below.*]

[*Legislative Power*]

SEC. 1. The legislative power of this State is vested in the California Legislature which consists of the Senate and Assembly, but the people reserve to themselves the powers of initiative and referendum. [*New section adopted November 8, 1966.*]

SEC. 1a. [*Renumbered Section 20 of Article XIII and amended November 8, 1966.*]

SEC. 1b. [*Repealed November 8, 1966.*]

SEC. 1c. [*Repealed November 8, 1966.*]

SEC. 1d. [*Repealed November 8, 1966.*]

[Legislators—Limitation on Incumbency—Restriction of Retirement Benefits—Limitation of Staff and Support Services—Number of Terms]

SEC. 1.5. The people find and declare that the Founding Fathers established a system of representative government based upon free, fair, and competitive elections. The increased concentration of political power in the hands of incumbent representatives has made our electoral system less free, less competitive, and less representative.

The ability of legislators to serve unlimited number of terms, to establish their own retirement system, and to pay for staff and support services at state expense contribute heavily to the extremely high number of incumbents who are reelected. These unfair incumbent advantages discourage qualified candidates from seeking public office and create a class of career politicians, instead of the citizen representatives envisioned by the Founding Fathers. These career politicians become representatives of the bureaucracy, rather than of the people whom they are elected to represent.

To restore a free and democratic system of fair elections, and to encourage qualified candidates to seek public office, the people find and declare that the powers of incumbency must be limited. Retirement benefits must be restricted, state-financed incumbent staff and support services limited, and limitations placed upon the number of terms which may be served. *[New section adopted November 6, 1990. Initiative measure.]*

[Senate and Assembly—Membership—Elections—Number of Terms—Qualifications—Vacancies]

SEC. 2. (a) The Senate has a membership of 40 Senators elected for 4-year terms, 20 to begin every 2 years. No Senator may serve more than 2 terms.

The Assembly has a membership of 80 members elected for 2-year terms. No member of the Assembly may serve more than 3 terms.

Their terms shall commence on the first Monday in December next following their election.

(b) Election of members of the Assembly shall be on the first Tuesday after the first Monday in November of even-numbered years unless otherwise prescribed by the Legislature. Senators shall be elected at the same time and places as members of the Assembly.

(c) A person is ineligible to be a member of the Legislature unless the person is an elector and has been a resident of the legislative district for one year, and a citizen of the United States and a resident of California for 3 years, immediately preceding the election.

(d) When a vacancy occurs in the Legislature the Governor immediately shall call an election to fill the vacancy. *[As amended November 6, 1990. Initiative measure.]*

[*Legislative Sessions—Regular and Special Sessions*]

SEC. 3. (a) The Legislature shall convene in regular session at noon on the first Monday in December of each even-numbered year and each house shall immediately organize. Each session of the Legislature shall adjourn sine die by operation of the Constitution at midnight on November 30 of the following even-numbered year.

(b) On extraordinary occasions the Governor by proclamation may cause the Legislature to assemble in special session. When so assembled it has power to legislate only on subjects specified in the proclamation but may provide for expenses and other matters incidental to the session. [*As amended June 8, 1976.*]

[*Legislators—Conflict of Interest—Prohibited Compensation—Earned Income*]

SEC. 4. (a) To eliminate any appearance of a conflict with the proper discharge of his or her duties and responsibilities, no Member of the Legislature may knowingly receive any salary, wages, commissions, or other similar earned income from a lobbyist or lobbying firm, as defined by the Political Reform Act of 1974, or from a person who, during the previous 12 months, has been under a contract with the Legislature. The Legislature shall enact laws that define earned income. However, earned income does not include any community property interest in the income of a spouse. Any Member who knowingly receives any salary, wages, commissions, or other similar earned income from a lobbyist employer, as defined by the Political Reform Act of 1974, may not, for a period of one year following its receipt, vote upon or make, participate in making, or in any way attempt to use his or her official position to influence an action or decision before the Legislature, other than an action or decision involving a bill described in subdivision (c) of Section 12 of this article, which he or she knows, or has reason to know, would have a direct and significant financial impact on the lobbyist employer and would not impact the public generally or a significant segment of the public in a similar manner. As used in this subdivision, “public generally” includes an industry, trade, or profession.

[*Legislators—Travel and Living Expenses*]

(b) Travel and living expenses for Members of the Legislature in connection with their official duties shall be prescribed by statute passed by rollcall vote entered in the journal, two-thirds of the membership of each house concurring. A Member may not receive travel and living expenses during the times that the Legislature is in recess for more than three calendar days, unless the Member is traveling to or from, or is in attendance at, any meeting of a committee of which he or she is a member, or a meeting, conference, or other legislative function or responsibility as authorized by the rules of the house of which he or she is a member, which is held at a location at least 20 miles from his or her place of residence.

[*Legislators—Retirement*]

(c) The Legislature may not provide retirement benefits based on any portion of a monthly salary in excess of five hundred dollars (\$500) paid to any Member of the Legislature unless the Member receives the greater amount while serving as a Member in the Legislature. The Legislature may, prior to their retirement, limit the retirement benefits payable to Members of the Legislature who serve during or after the term commencing in 1967.

When computing the retirement allowance of a Member who serves in the Legislature during the term commencing in 1967 or later, allowance may be made for increases in cost of living if so provided by statute, but only with respect to increases in the cost of living occurring after retirement of the Member. However, the Legislature may provide that no Member shall be deprived of a cost of living adjustment based on a monthly salary of five hundred dollars (\$500) which has accrued prior to the commencement of the 1967 Regular Session of the Legislature. [*As amended June 5, 1990.*]

[*Legislators—Retirement*]

SEC. 4.5. Notwithstanding any other provision of this Constitution or existing law, a person elected to or serving in the Legislature on or after November 1, 1990, shall participate in the Federal Social Security (Retirement, Disability, Health Insurance) Program and the State shall pay only the employer's share of the contribution necessary to such participation. No other pension or retirement benefit shall accrue as a result of service in the Legislature, such service not being intended as a career occupation. This Section shall not be construed to abrogate or diminish any vested pension or retirement benefit which may have accrued under an existing law to a person holding or having held office in the Legislature, but upon adoption of this Act no further entitlement to nor vesting in any existing program shall accrue to any such person, other than Social Security to the extent herein provided. [*New section adopted November 6, 1990. Initiative measure.*]

[*Legislators—Qualifications—Expulsion*]

SEC. 5. (a) Each house shall judge the qualifications and elections of its Members and, by rollcall vote entered in the journal, two thirds of the membership concurring, may expel a Member.

[*Legislators—Honoraria*]

(b) No Member of the Legislature may accept any honorarium. The Legislature shall enact laws that implement this subdivision.

[*Legislators—Gifts—Conflict of Interest*]

(c) The Legislature shall enact laws that ban or strictly limit the acceptance of a gift by a Member of the Legislature from any source if the acceptance of the gift might create a conflict of interest.

[Legislators—Prohibited Compensation or Activity]

(d) No Member of the Legislature may knowingly accept any compensation for appearing, agreeing to appear, or taking any other action on behalf of another person before any state government board or agency. If a Member knowingly accepts any compensation for appearing, agreeing to appear, or taking any other action on behalf of another person before any local government board or agency, the Member may not, for a period of one year following the acceptance of the compensation, vote upon or make, participate in making, or in any way attempt to use his or her official position to influence an action or decision before the Legislature, other than an action or decision involving a bill described in subdivision (c) of Section 12 of this article, which he or she knows, or has reason to know, would have a direct and significant financial impact on that person and would not impact the public generally or a significant segment of the public in a similar manner. As used in this subdivision, "public generally" includes an industry, trade, or profession. However, a Member may engage in activities involving a board or agency which are strictly on his or her own behalf, appear in the capacity of an attorney before any court or the Workers' Compensation Appeals Board, or act as an advocate without compensation or make an inquiry for information on behalf of a person before a board or agency. This subdivision does not prohibit any action of a partnership or firm of which the Member is a member if the Member does not share directly or indirectly in the fee, less any expenses attributable to that fee, resulting from that action.

[Legislators—Lobbying]

(e) The Legislature shall enact laws that prohibit a Member of the Legislature whose term of office commences on or after December 3, 1990, from lobbying, for compensation, as governed by the Political Reform Act of 1974, before the Legislature for 12 months after leaving office.

[Legislators—Conflict of Interest]

(f) The Legislature shall enact new laws, and strengthen the enforcement of existing laws, prohibiting Members of the Legislature from engaging in activities or having interests which conflict with the proper discharge of their duties and responsibilities. However, the people reserve to themselves the power to implement this requirement pursuant to Article II. *[As amended June 5, 1990. Subdivision (b) operative December 3, 1990.]*

SEC. 6. *[Repealed June 3, 1980. See Section 6, below.]*

[Senatorial and Assembly Districts]

SEC. 6. For the purpose of choosing members of the Legislature, the State shall be divided into 40 Senatorial and 80 Assembly districts to be called Senatorial and Assembly Districts. Each Senatorial district

shall choose one Senator and each Assembly district shall choose one member of the Assembly. [*New section adopted June 3, 1980.*]

[*House Rules—Officers—Quorum*]

SEC. 7. (a) Each house shall choose its officers and adopt rules for its proceedings. A majority of the membership constitutes a quorum, but a smaller number may recess from day to day and compel the attendance of absent members.

[*Journals*]

(b) Each house shall keep and publish a journal of its proceedings. The rollcall vote of the members on a question shall be taken and entered in the journal at the request of 3 members present.

[*Public Proceedings—Closed Sessions*]

(c) (1) The proceedings of each house and the committees thereof shall be open and public. However, closed sessions may be held solely for any of the following purposes:

(A) To consider the appointment, employment, evaluation of performance, or dismissal of a public officer or employee, to consider or hear complaints or charges brought against a Member of the Legislature or other public officer or employee, or to establish the classification or compensation of an employee of the Legislature.

(B) To consider matters affecting the safety and security of Members of the Legislature or its employees or the safety and security of any buildings and grounds used by the Legislature.

(C) To confer with, or receive advice from, its legal counsel regarding pending or reasonably anticipated, or whether to initiate, litigation when discussion in open session would not protect the interests of the house or committee regarding the litigation.

(2) A caucus of the Members of the Senate, the Members of the Assembly, or the Members of both houses, which is composed of the members of the same political party, may meet in closed session.

(3) The Legislature shall implement this subdivision by concurrent resolution adopted by rollcall vote entered in the journal, two-thirds of the membership of each house concurring, or by statute, and shall prescribe that, when a closed session is held pursuant to paragraph (1), reasonable notice of the closed session and the purpose of the closed session shall be provided to the public. If there is a conflict between a concurrent resolution and statute, the last adopted or enacted shall prevail.

[*Recess*]

(d) Neither house without the consent of the other may recess for more than 10 days or to any other place. [*As amended June 5, 1990. Subdivision (c) operative December 3, 1990.*]

[*Legislature—Total Aggregate Expenditures*]

SEC. 7.5. In the fiscal year immediately following the adoption of this Act, the total aggregate expenditures of the Legislature for the compensation of members and employees of, and the operating expenses and equipment for, the Legislature may not exceed an amount equal to nine hundred fifty thousand dollars (\$950,000) per member for that fiscal year or 80 percent of the amount of money expended for those purposes in the preceding fiscal year, whichever is less. For each fiscal year thereafter, the total aggregate expenditures may not exceed an amount equal to that expended for those purposes in the preceding fiscal year, adjusted and compounded by an amount equal to the percentage increase in the appropriations limit for the State established pursuant to Article XIII B. [*New section adopted November 6, 1990. Initiative measure.*]

[*Bills and Statutes—30-day Waiting Period*]

SEC. 8. (a) At regular sessions no bill other than the budget bill may be heard or acted on by committee or either house until the 31st day after the bill is introduced unless the house dispenses with this requirement by rollcall vote entered in the journal, three fourths of the membership concurring.

[*Bills and Statutes—3 Readings*]

(b) The Legislature may make no law except by statute and may enact no statute except by bill. No bill may be passed unless it is read by title on 3 days in each house except that the house may dispense with this requirement by rollcall vote entered in the journal, two thirds of the membership concurring. No bill may be passed until the bill with amendments has been printed and distributed to the members. No bill may be passed unless, by rollcall vote entered in the journal, a majority of the membership of each house concurs.

[*Bills and Statutes—Effective Date*]

(c) (1) Except as provided in paragraphs (2) and (3) of this subdivision, a statute enacted at a regular session shall go into effect on January 1 next following a 90-day period from the date of enactment of the statute and a statute enacted at a special session shall go into effect on the 91st day after adjournment of the special session at which the bill was passed.

(2) A statute, other than a statute establishing or changing boundaries of any legislative, congressional, or other election district, enacted by a bill passed by the Legislature on or before the date the Legislature adjourns for a joint recess to reconvene in the second calendar year of the biennium of the legislative session, and in the possession of the Governor after that date, shall go into effect on January 1 next following the enactment date of the statute unless, before January 1, a copy of a referendum petition affecting the statute is submitted to the Attorney

General pursuant to subdivision (d) of Section 10 of Article II, in which event the statute shall go into effect on the 91st day after the enactment date unless the petition has been presented to the Secretary of State pursuant to subdivision (b) of Section 9 of Article II.

(3) Statutes calling elections, statutes providing for tax levies or appropriations for the usual current expenses of the State, and urgency statutes shall go into effect immediately upon their enactment.

[Bills and Statutes—Urgency Statutes]

(d) Urgency statutes are those necessary for immediate preservation of the public peace, health, or safety. A statement of facts constituting the necessity shall be set forth in one section of the bill. In each house the section and the bill shall be passed separately, each by rollcall vote entered in the journal, two thirds of the membership concurring. An urgency statute may not create or abolish any office or change the salary, term, or duties of any office, or grant any franchise or special privilege, or create any vested right or interest. [*As amended June 5, 1990.*]

SEC. 9. [*Repealed November 8, 1966. See Section 9, below.*]

[Statutes—Title—Section]

SEC. 9. A statute shall embrace but one subject, which shall be expressed in its title. If a statute embraces a subject not expressed in its title, only the part not expressed is void. A statute may not be amended by reference to its title. A section of a statute may not be amended unless the section is re-enacted as amended. [*New section adopted November 8, 1966.*]

[Governor's Veto—Bill Introduction in Biennial Session]

SEC. 10. (a) Each bill passed by the Legislature shall be presented to the Governor. It becomes a statute if it is signed by the Governor. The Governor may veto it by returning it with any objections to the house of origin, which shall enter the objections in the journal and proceed to reconsider it. If each house then passes the bill by rollcall vote entered in the journal, two thirds of the membership concurring, it becomes a statute.

(b) (1) Any bill, other than a bill which would establish or change boundaries of any legislative, congressional, or other election district, passed by the Legislature on or before the date the Legislature adjourns for a joint recess to reconvene in the second calendar year of the biennium of the legislative session, and in the possession of the Governor after that date, that is not returned within 30 days after that date becomes a statute.

(2) Any bill passed by the Legislature before September 1 of the second calendar year of the biennium of the legislative session and in the possession of the Governor on or after September 1 that is not returned on or before September 30 of that year becomes a statute.

(3) Any other bill presented to the Governor that is not returned within 12 days becomes a statute.

(4) If the Legislature by adjournment of a special session prevents the return of a bill with the veto message, the bill becomes a statute unless the Governor vetoes the bill within 12 days after it is presented by depositing it and the veto message in the office of the Secretary of State.

(5) If the 12th day of the period within which the Governor is required to perform an act pursuant to paragraph (3) or (4) of this subdivision is a Saturday, Sunday, or holiday, the period is extended to the next day that is not a Saturday, Sunday, or holiday.

(c) Any bill introduced during the first year of the biennium of the legislative session that has not been passed by the house of origin by January 31 of the second calendar year of the biennium may no longer be acted on by the house. No bill may be passed by either house on or after September 1 of an even-numbered year except statutes calling elections, statutes providing for tax levies or appropriations for the usual current expenses of the State, and urgency statutes, and bills passed after being vetoed by the Governor.

(d) The Legislature may not present any bill to the Governor after November 15 of the second calendar year of the biennium of the legislative session.

(e) The Governor may reduce or eliminate one or more items of appropriation while approving other portions of a bill. The Governor shall append to the bill a statement of the items reduced or eliminated with the reasons for the action. The Governor shall transmit to the house originating the bill a copy of the statement and reasons. Items reduced or eliminated shall be separately reconsidered and may be passed over the Governor's veto in the same manner as bills. [*As amended June 5, 1990.*]

[*Committees*]

SEC. 11. The Legislature or either house may by resolution provide for the selection of committees necessary for the conduct of its business, including committees to ascertain facts and make recommendations to the Legislature on a subject within the scope of legislative control. [*As amended November 7, 1972.*]

[*Governor's Budget—Budget Bill—Other Appropriations*]

SEC. 12. (a) Within the first 10 days of each calendar year, the Governor shall submit to the Legislature, with an explanatory message, a budget for the ensuing fiscal year containing itemized statements for recommended state expenditures and estimated state revenues. If recommended expenditures exceed estimated revenues, the Governor shall recommend the sources from which the additional revenues should be provided.

(b) The Governor and the Governor-elect may require a state agency, officer or employee to furnish whatever information is deemed necessary to prepare the budget.

(c) The budget shall be accompanied by a budget bill itemizing recommended expenditures. The bill shall be introduced immediately in each house by the persons chairing the committees that consider appropriations. The Legislature shall pass the budget bill by midnight on June 15 of each year. Until the budget bill has been enacted, the Legislature shall not send to the Governor for consideration any bill appropriating funds for expenditure during the fiscal year for which the budget bill is to be enacted, except emergency bills recommended by the Governor or appropriations for the salaries and expenses of the Legislature.

(d) No bill except the budget bill may contain more than one item of appropriation, and that for one certain, expressed purpose. Appropriations from the General Fund of the State, except appropriations for the public schools, are void unless passed in each house by rollcall vote entered in the journal, two thirds of the membership concurring.

(e) The Legislature may control the submission, approval, and enforcement of budgets and the filing of claims for all state agencies. [*As amended June 4, 1974, and November 5, 1974.*]

[Legislators—Ineligible for Certain Offices]

SEC. 13. A member of the Legislature may not, during the term for which the member is elected, hold any office or employment under the State other than an elective office. [*As amended November 5, 1974.*]

SEC. 14. [*Repealed November 8, 1966. See Section 14, below.*]

[Members—Not Subject to Civil Process]

SEC. 14. A member of the Legislature is not subject to civil process during a session of the Legislature or for 5 days before and after a session. [*New section adopted November 8, 1966.*]

[Influencing Action or Vote of a Member—Felony]

SEC. 15. A person who seeks to influence the vote or action of a member of the Legislature in the member's legislative capacity by bribery, promise of reward, intimidation, or other dishonest means, or a member of the Legislature so influenced, is guilty of a felony. [*As amended November 5, 1974.*]

[Uniform Operation of General Laws—Special Statute—Invalid]

SEC. 16. (a) All laws of a general nature have uniform operation.

(b) A local or special statute is invalid in any case if a general statute can be made applicable. [*As amended November 5, 1974.*]

SEC. 17. [*Repealed November 8, 1966. See Section 17, below.*]

[*Grant of Extra Compensation or Allowance Prohibited*]

SEC. 17. The Legislature has no power to grant, or to authorize a city, county, or other public body to grant, extra compensation or extra allowance to a public officer, public employee, or contractor after service has been rendered or a contract has been entered into and performed in whole or in part, or to authorize the payment of a claim against the State or a city, county, or other public body under an agreement made without authority of law. [*New section adopted November 8, 1966.*]

SEC. 18. [*Repealed November 8, 1966. See Section 18, below.*]

[*Impeachment*]

SEC. 18. (a) The Assembly has the sole power of impeachment. Impeachments shall be tried by the Senate. A person may not be convicted unless, by rollcall vote entered in the journal, two thirds of the membership of the Senate concurs.

(b) State officers elected on a statewide basis, members of the State Board of Equalization, and judges of state courts are subject to impeachment for misconduct in office. Judgment may extend only to removal from office and disqualification to hold any office under the State, but the person convicted or acquitted remains subject to criminal punishment according to law. [*New section adopted November 8, 1966.*]

[*Lotteries—Horse Races Regulated—Bingo Games for Charitable Purposes*]

SEC. 19. (a) The Legislature has no power to authorize lotteries and shall prohibit the sale of lottery tickets in the State.

(b) The Legislature may provide for the regulation of horse races and horse race meetings and wagering on the results.

(c) Notwithstanding subdivision (a) the Legislature by statute may authorize cities and counties to provide for bingo games, but only for charitable purposes.

(d) Notwithstanding subdivision (a), there is authorized the establishment of a California State Lottery.

(e) The Legislature has no power to authorize, and shall prohibit casinos of the type currently operating in Nevada and New Jersey. [*As amended November 6, 1984. Initiative measure.*]

SEC. 20. [*Repealed November 8, 1966. See Section 20, below.*]

[*Fish and Game—Districts and Commission*]

SEC. 20. (a) The Legislature may provide for division of the State into fish and game districts and may protect fish and game in districts or parts of districts.

(b) There is a Fish and Game Commission of 5 members appointed by the Governor and approved by the Senate, a majority of the mem-

bership concurring, for 6-year terms and until their successors are appointed and qualified. Appointment to fill a vacancy is for the unexpired portion of the term. The Legislature may delegate to the commission such powers relating to the protection and propagation of fish and game as the Legislature sees fit. A member of the commission may be removed by concurrent resolution adopted by each house, a majority of the membership concurring. [*New section adopted November 8, 1966.*]

[*War- or Enemy-Caused Disaster*]

SEC. 21. To meet the needs resulting from war-caused or enemy-caused disaster in California, the Legislature may provide for:

(a) Filling the offices of members of the Legislature should at least one fifth of the membership of either house be killed, missing, or disabled, until they are able to perform their duties or successors are elected.

(b) Filling the office of Governor should the Governor be killed, missing, or disabled, until the Governor or the successor designated in this Constitution is able to perform the duties of the office of Governor or a successor is elected.

(c) Convening the Legislature.

(d) Holding elections to fill offices that are elective under this Constitution and that are either vacant or occupied by persons not elected thereto.

(e) Selecting a temporary seat of state or county government. [*As amended November 5, 1974.*]

[*Accountability—Session Goals and Objectives*]

SEC. 22. It is the right of the people to hold their legislators accountable. To assist the people in exercising this right, at the convening of each regular session of the Legislature, the President pro Tempore of the Senate, the Speaker of the Assembly, and the minority leader of each house shall report to their house the goals and objectives of that house during that session and, at the close of each regular session, the progress made toward meeting those goals and objectives. [*New section adopted June 5, 1990.*]

SEC. 22a. [*Repealed November 8, 1966.*]

SEC. 23. [*Renumbered Section 9 of Article II June 8, 1976.*]

SEC. 23a. [*Repealed November 8, 1966.*]

SEC. 23b. [*Repealed November 8, 1966.*]

SEC. 24. [*Renumbered Section 10 of Article II June 8, 1976.*]

SEC. 25. [*Renumbered Section 11 of Article II June 8, 1976.*]

SEC. 25a. [*Repealed November 8, 1966.*]

SEC. 25½. [*Repealed November 8, 1966.*]

SEC. 25¾. [*Renumbered Section 22 of Article XIII and amended November 8, 1966.*]

SEC. 25³/₄. [*Renumbered Section 25.7 and amended November 6, 1962.*]

SEC. 25.7. [*Repealed November 8, 1966.*]

SEC. 26. [*Renumbered Section 12 of Article II June 8, 1976.*]

SEC. 27. [*Repealed June 3, 1980.*]

[*State Capitol Maintenance—Appropriations*]

SEC. 28. (a) Notwithstanding any other provision of this Constitution, no bill shall take effect as an urgency statute if it authorizes or contains an appropriation for either (1) the alteration or modification of the color, detail, design, structure or fixtures of the historically restored areas of the first, second, and third floors and the exterior of the west wing of the State Capitol from that existing upon the completion of the project of restoration or rehabilitation of the building conducted pursuant to Section 9124 of the Government Code as such section read upon the effective date of this section, or (2) the purchase of furniture of different design to replace that restored, replicated, or designed to conform to the historic period of the historically restored areas specified above, including the legislators' chairs and desks in the Senate and Assembly Chambers.

(b) No expenditures shall be made in payment for any of the purposes described in subdivision (a) of this section unless funds are appropriated expressly for such purposes.

(c) This section shall not apply to appropriations or expenditures for ordinary repair and maintenance of the State Capitol building, fixtures and furniture. [*New Section adopted June 3, 1980.*]

SEC. 29. [*Renumbered Section 23 of Article XIII and amended November 8, 1966.*]

SEC. 30. [*Renumbered Section 24 of Article XIII and amended November 8, 1966.*]

SEC. 31. [*Renumbered Section 25 of Article XIII and amended November 8, 1966.*]

SEC. 31a. [*Renumbered Section 26 of Article XIII and amended November 8, 1966.*]

SEC. 31b. [*As adopted by Assembly Constitutional Amendment 14 of 1931, repealed November 6, 1956.*]

SEC. 31b. [*As adopted November 8, 1932, renumbered Section 27 of Article XIII and amended November 8, 1966.*]

SEC. 31c. [*As adopted November 3, 1936, renumbered Section 28 of Article XIII and amended November 8, 1966.*]

SEC. 31c. [*As adopted November 3, 1942, repealed November 6, 1956.*]

SEC. 31d. [*Repealed November 6, 1956.*]

SEC. 32. [*Repealed November 8, 1966.*]

SEC. 33. [*Repealed November 8, 1966.*]

- SEC. 34. [*Repealed November 8, 1966.*]
 SEC. 34a. [*Repealed November 8, 1966.*]
 SEC. 35. [*Repealed November 8, 1966.*]
 SEC. 36. [*Repealed November 8, 1966.*]
 SEC. 37. [*Repealed November 8, 1966.*]
 SEC. 38. [*Repealed November 8, 1966.*]

ARTICLE V. [*Repealed November 8, 1966. See Article V, below.*]

ARTICLE V *

EXECUTIVE

[*Executive Power Vested in Governor*]

SECTION 1. The supreme executive power of this State is vested in the Governor. The Governor shall see that the law is faithfully executed. [*As amended November 5, 1974.*]

[*Election—Eligibility—Number of Terms*]

SEC. 2. The Governor shall be elected every fourth year at the same time and places as members of the Assembly and hold office from the Monday after January 1 following the election until a successor qualifies. The Governor shall be an elector who has been a citizen of the United States and a resident of this State for 5 years immediately preceding the Governor's election. The Governor may not hold other public office. No Governor may serve more than 2 terms. [*As amended November 6, 1990. Initiative measure.*]

[*Report to Legislature—Recommendations*]

SEC. 3. The Governor shall report to the Legislature each calendar year on the condition of the State and may make recommendations. [*As amended November 7, 1972.*]

SEC. 4. [*Repealed November 8, 1966. See Section 4, below.*]

[*Information From Executive Officers, Etc.*]

SEC. 4. The Governor may require executive officers and agencies and their employees to furnish information relating to their duties. [*New section adopted November 8, 1966.*]

[*Filling Vacancies—Confirmation by Legislature*]

SEC. 5. (a) Unless the law otherwise provides, the Governor may fill a vacancy in office by appointment until a successor qualifies.

* New Article V adopted November 8, 1966.

(b) Whenever there is a vacancy in the office of the Superintendent of Public Instruction, the Lieutenant Governor, Secretary of State, Controller, Treasurer, or Attorney General, or on the State Board of Equalization, the Governor shall nominate a person to fill the vacancy who shall take office upon confirmation by a majority of the membership of the Senate and a majority of the membership of the Assembly and who shall hold office for the balance of the unexpired term. In the event the nominee is neither confirmed nor refused confirmation by both the Senate and the Assembly within 90 days of the submission of the nomination, the nominee shall take office as if he or she had been confirmed by a majority of the Senate and Assembly; provided, that if such 90-day period ends during a recess of the Legislature, the period shall be extended until the sixth day following the day on which the Legislature reconvenes. [*As amended November 2, 1976.*]

SEC. 6. [*Repealed November 8, 1966. See Section 6, below.*]

[*Executive Assignment and Agency Reorganization*]

SEC. 6. Authority may be provided by statute for the Governor to assign and reorganize functions among executive officers and agencies and their employees, other than elective officers and agencies administered by elective officers. [*New section adopted November 8, 1966.*]

[*Commander of Militia*]

SEC. 7. The Governor is commander in chief of a militia that shall be provided by statute. The Governor may call it forth to execute the law. [*As amended November 5, 1974.*]

[*Reprieves—Pardons—Commutations*]

SEC. 8. (a) Subject to application procedures provided by statute, the Governor, on conditions the Governor deems proper, may grant a reprieve, pardon, and commutation, after sentence, except in case of impeachment. The Governor shall report to the Legislature each reprieve, pardon, and commutation granted, stating the pertinent facts and the reasons for granting it. The Governor may not grant a pardon or commutation to a person twice convicted of a felony except on recommendation of the Supreme Court, 4 judges concurring.

(b) No decision of the parole authority of this State with respect to the granting, denial, revocation, or suspension of parole of a person sentenced to an indeterminate term upon conviction of murder shall become effective for a period of 30 days, during which the Governor may review the decision subject to procedures provided by statute. The Governor may only affirm, modify, or reverse the decision of the parole authority on the basis of the same factors which the parole authority is required to consider. The Governor shall report to the Legislature each parole decision affirmed, modified, or reversed, stating the pertinent facts and reasons for the action. [*As amended November 8, 1988.*]

[*Lieutenant Governor—Qualifications—Casting Vote*]

SEC. 9. The Lieutenant Governor shall have the same qualifications as the Governor. The Lieutenant Governor is President of the Senate but has only a casting vote. [*As amended November 5, 1974.*]

[*Succession*]

SEC. 10. The Lieutenant Governor shall become Governor when a vacancy occurs in the office of Governor.

The Lieutenant Governor shall act as Governor during the impeachment, absence from the State, or other temporary disability of the Governor or of a Governor-elect who fails to take office.

The Legislature shall provide an order of precedence after the Lieutenant Governor for succession to the office of Governor and for the temporary exercise of the Governor's functions.

The Supreme Court has exclusive jurisdiction to determine all questions arising under this section.

Standing to raise questions of vacancy or temporary disability is vested exclusively in a body provided by statute. [*As amended November 5, 1974.*]

[*Other State Officers—Election—Number of Terms*]

SEC. 11. The Lieutenant Governor, Attorney General, Controller, Secretary of State, and Treasurer shall be elected at the same time and places and for the same term as the Governor. No Lieutenant Governor, Attorney General, Controller, Secretary of State, or Treasurer may serve in the same office for more than 2 terms. [*As amended November 6, 1990. Initiative measure.*]

SEC. 12. [*Repealed June 5, 1990.*]

[*Attorney General—Chief Law Officer*]

SEC. 13. Subject to the powers and duties of the Governor, the Attorney General shall be the chief law officer of the State. It shall be the duty of the Attorney General to see that the laws of the State are uniformly and adequately enforced. The Attorney General shall have direct supervision over every district attorney and sheriff and over such other law enforcement officers as may be designated by law, in all matters pertaining to the duties of their respective offices, and may require any of said officers to make reports concerning the investigation, detection, prosecution, and punishment of crime in their respective jurisdictions as to the Attorney General may seem advisable. Whenever in the opinion of the Attorney General any law of the State is not being adequately enforced in any county, it shall be the duty of the Attorney General to prosecute any violations of law of which the superior court shall have jurisdiction, and in such cases the Attorney General shall have all the powers of a district attorney. When required by the public

interest or directed by the Governor, the Attorney General shall assist any district attorney in the discharge of the duties of that office. [As amended November 5, 1974.]

[*State Officers—Conflict of Interest—Prohibited Compensation—Earned Income*]

SEC. 14. (a) To eliminate any appearance of a conflict with the proper discharge of his or her duties and responsibilities, no state officer may knowingly receive any salary, wages, commissions, or other similar earned income from a lobbyist or lobbying firm, as defined by the Political Reform Act of 1974, or from a person who, during the previous 12 months, has been under a contract with the state agency under the jurisdiction of the state officer. The Legislature shall enact laws that define earned income. However, earned income does not include any community property interest in the income of a spouse. Any state officer who knowingly receives any salary, wages, commissions, or other similar earned income from a lobbyist employer, as defined by the Political Reform Act of 1974, may not, for a period of one year following its receipt, vote upon or make, participate in making, or in any way attempt to use his or her official position to influence an action or decision before the agency for which the state officer serves, other than an action or decision involving a bill described in subdivision (c) of Section 12 of Article IV, which he or she knows, or has reason to know, would have a direct and significant financial impact on the lobbyist employer and would not impact the public generally or a significant segment of the public in a similar manner. As used in this subdivision, “public generally” includes an industry, trade, or profession.

[*State Officers—Honoraria*]

(b) No state officer may accept any honorarium. The Legislature shall enact laws that implement this subdivision.

[*State Officers—Gifts—Conflict of Interest*]

(c) The Legislature shall enact laws that ban or strictly limit the acceptance of a gift by a state officer from any source if the acceptance of the gift might create a conflict of interest.

[*State Officers—Prohibited Compensation or Activity*]

(d) No state officer may knowingly accept any compensation for appearing, agreeing to appear, or taking any other action on behalf of another person before any state government board or agency. If a state officer knowingly accepts any compensation for appearing, agreeing to appear, or taking any other action on behalf of another person before any local government board or agency, the state officer may not, for a period of one year following the acceptance of the compensation, make, participate in making, or in any way attempt to use his or her official position to influence an action or decision before the state agency for which the state officer serves, other than an action or decision in-

volving a bill described in subdivision (c) of Section 12 of Article IV, which he or she knows, or has reason to know, would have a direct and significant financial impact on that person and would not impact the public generally or a significant segment of the public in a similar manner. As used in this subdivision, "public generally" includes an industry, trade, or profession. However, a state officer may engage in activities involving a board or agency which are strictly on his or her own behalf, appear in the capacity of an attorney before any court or the Workers' Compensation Appeals Board, or act as an advocate without compensation or make an inquiry for information on behalf of a person before a board or agency. This subdivision does not prohibit any action of a partnership or firm of which the state officer is a member if the state officer does not share directly or indirectly in the fee, less any expenses attributable to that fee, resulting from that action.

[State Officers—Lobbying]

(e) The Legislature shall enact laws that prohibit a state officer, or a secretary of an agency or director of a department appointed by the Governor, who has not resigned or retired from state service prior to January 7, 1991, from lobbying, for compensation, as governed by the Political Reform Act of 1974, before the executive branch of state government for 12 months after leaving office.

[State Officer—Definition]

(f) "State officer," as used in this section, means the Governor, Lieutenant Governor, Attorney General, Controller, Insurance Commissioner, Secretary of State, Superintendent of Public Instruction, Treasurer, and member of the State Board of Equalization. *[New section adopted June 5, 1990. Subdivision (b) operative December 3, 1990.]*

SEC. 15. *[Repealed November 8, 1966.]*

SEC. 16. *[Repealed November 8, 1966.]*

SEC. 17. *[Repealed November 8, 1966.]*

SEC. 18. *[Repealed November 8, 1966.]*

SEC. 20. *[Repealed November 8, 1966.]*

SEC. 21. *[Repealed November 8, 1966.]*

SEC. 22. *[Repealed November 8, 1966.]*

ARTICLE VI. [*Repealed November 8, 1966. See Article VI, below.*]

ARTICLE VI *

JUDICIAL

[*Judicial Power Vested in Courts*]

SEC. 1. The judicial power of this State is vested in the Supreme Court, courts of appeal, superior courts, municipal courts, and justice courts. All courts are courts of record. [*As amended November 8, 1988. Operative until January 1, 1995. See Section 1, below.*]

[*Judicial Power Vested in Courts*]

SEC. 1. The judicial power of this State is vested in the Supreme Court, courts of appeal, superior courts, and municipal courts. All courts are courts of record. [*As amended November 8, 1994. Operative January 1, 1995. See Section 1, above.*]

SEC. 1a. [*Repealed November 8, 1966.*]

SEC. 1b. [*Repealed November 8, 1966.*]

SEC. 1c. [*Repealed November 8, 1966.*]

[*Supreme Court—Composition*]

SEC. 2. The Supreme Court consists of the Chief Justice of California and 6 associate justices. The Chief Justice may convene the court at any time. Concurrence of 4 judges present at the argument is necessary for a judgment.

An acting Chief Justice shall perform all functions of the Chief Justice when the Chief Justice is absent or unable to act. The Chief Justice or, if the Chief Justice fails to do so, the court shall select an associate justice as acting Chief Justice. [*As amended November 5, 1974.*]

[*Judicial Districts—Courts of Appeal*]

SEC. 3. The Legislature shall divide the State into districts each containing a court of appeal with one or more divisions. Each division consists of a presiding justice and 2 or more associate justices. It has the power of a court of appeal and shall conduct itself as a 3-judge court. Concurrence of 2 judges present at the argument is necessary for a judgment.

An acting presiding justice shall perform all functions of the presiding justice when the presiding justice is absent or unable to act. The presiding justice or, if the presiding justice fails to do so, the Chief Justice shall select an associate justice of that division as acting presiding justice. [*As amended November 5, 1974.*]

* New Article VI adopted November 8, 1966.

[Superior Courts]

SEC. 4. In each county there is a superior court of one or more judges. The Legislature shall prescribe the number of judges and provide for the officers and employees of each superior court. If the governing body of each affected county concurs, the Legislature may provide that one or more judges serve more than one superior court.

The county clerk is ex officio clerk of the superior court in the county.
[As amended November 5, 1974.]

SEC. 4a. *[Repealed November 8, 1966.]*

SEC. 4b. *[Repealed November 8, 1966.]*

SEC. 4c. *[Repealed November 8, 1966.]*

SEC. 4d. *[Repealed November 8, 1966.]*

SEC. 4e. *[Repealed November 8, 1966.]*

SEC. 4½. *[Repealed November 8, 1966.]*

SEC. 4¾. *[Repealed November 8, 1966.]*

[Municipal and Justice Courts]

SEC. 5. (a) Each county shall be divided into municipal court and justice court districts as provided by statute, but a city may not be divided into more than one district. Each municipal and justice court shall have one or more judges.

There shall be a municipal court in each district of more than 40,000 residents and a justice court in each district of 40,000 residents or less. The number of residents shall be ascertained as provided by statute.

The Legislature shall provide for the organization and prescribe the jurisdiction of municipal and justice courts. It shall prescribe for each municipal court and provide for each justice court the number, qualifications, and compensation of judges, officers, and employees.

(b) Notwithstanding the provisions of subdivision (a), any city in San Diego County may be divided into more than one municipal court or justice court district if the Legislature determines that unusual geographic conditions warrant such division. *[As amended June 8, 1976. Operative until January 1, 1995. See Section 5, below.]*

[Municipal and Justice Courts]

SEC. 5. (a) Each county shall be divided into municipal court districts as provided by statute, but a city may not be divided into more than one district. Each municipal court shall have one or more judges. Each municipal court district shall have no fewer than 40,000 residents; provided that each county shall have at least one municipal court district. The number of residents shall be determined as provided by statute.

(b) On the operative date of this subdivision, all existing justice courts shall become municipal courts, and the number, qualifications, and compensation of judges, officers, attachés, and employees shall continue until changed by the Legislature. Each judge of a part-time mu-

municipal court is deemed to have agreed to serve full time and shall be available for assignment by the Chief Justice for the balance of time necessary to comprise a full-time workload.

(c) The Legislature shall provide for the organization and prescribe the jurisdiction of municipal courts. It shall prescribe for each municipal court the number, qualifications, and compensation of judges, officers, and employees.

(d) Notwithstanding subdivision (a), any city in San Diego County may be divided into more than one municipal court district if the Legislature determines that unusual geographic conditions warrant such division. [*As amended November 8, 1994. Operative January 1, 1995. See Section 5, above.*]

SEC. 5.5. [*Repealed June 8, 1976.*]

[*Judicial Council—Membership and Powers*]

SEC. 6. The Judicial Council consists of the Chief Justice and one other judge of the Supreme Court, 3 judges of courts of appeal, 5 judges of superior courts, 3 judges of municipal courts, and 2 judges of justice courts, each appointed by the Chief Justice for a 2-year term; 4 members of the State Bar appointed by its governing body for 2-year terms; and one member of each house of the Legislature appointed as provided by the house.

Council membership terminates if a member ceases to hold the position that qualified the member for appointment. A vacancy shall be filled by the appointing power for the remainder of the term.

The council may appoint an Administrative Director of the Courts, who serves at its pleasure and performs functions delegated by the council or the Chief Justice, other than adopting rules of court administration, practice and procedure.

To improve the administration of justice the council shall survey judicial business and make recommendations to the courts, make recommendations annually to the Governor and Legislature, adopt rules for court administration, practice and procedure, not inconsistent with statute, and perform other functions prescribed by statute.

The Chief Justice shall seek to expedite judicial business and to equalize the work of judges. The Chief Justice may provide for the assignment of any judge to another court but only with the judge's consent if the court is of lower jurisdiction. A retired judge who consents may be assigned to any court.

Judges shall report to the Judicial Council as the Chief Justice directs concerning the condition of judicial business in their courts. They shall cooperate with the council and hold court as assigned. [*As amended November 5, 1974. Operative until January 1, 1995. See Section 6, below.*]

[*Judicial Council—Membership and Powers*]

SEC. 6. The Judicial Council consists of the Chief Justice and one other judge of the Supreme Court, 3 judges of courts of appeal, 5 judges of superior courts, and 5 judges of municipal courts, each appointed by the Chief Justice for a 2-year term; 4 members of the State Bar appointed by its governing body for 2-year terms; and one member of each house of the Legislature appointed as provided by the house.

Council membership terminates if a member ceases to hold the position that qualified the member for appointment. A vacancy shall be filled by the appointing power for the remainder of the term.

The council may appoint an Administrative Director of the Courts, who serves at its pleasure and performs functions delegated by the council or the Chief Justice, other than adopting rules of court administration, practice and procedure.

To improve the administration of justice the council shall survey judicial business and make recommendations to the courts, make recommendations annually to the Governor and Legislature, adopt rules for court administration, practice and procedure, not inconsistent with statute, and perform other functions prescribed by statute.

The Chief Justice shall seek to expedite judicial business and to equalize the work of judges. The Chief Justice may provide for the assignment of any judge to another court but only with the judge's consent if the court is of lower jurisdiction. A retired judge who consents may be assigned to any court.

Judges shall report to the Judicial Council as the Chief Justice directs concerning the condition of judicial business in their courts. They shall cooperate with the council and hold court as assigned. [*As amended November 8, 1994. Operative January 1, 1995. See Section 6, above.*]

SEC. 7. [*Repealed November 8, 1966. See Section 7, below.*]

[*Commission on Judicial Appointments—Membership*]

SEC. 7. The Commission on Judicial Appointments consists of the Chief Justice, the Attorney General, and the presiding justice of the court of appeal of the affected district or, if there are 2 or more presiding justices, the one who has presided longest or, when a nomination or appointment to the Supreme Court is to be considered, the presiding justice who has presided longest on any court of appeal. [*New section adopted November 8, 1966.*]

[*Commission on Judicial Performance—Membership*]

SEC. 8. (a) The Commission on Judicial Performance consists of 2 judges of courts of appeal, 2 judges of superior courts, and one judge of a municipal court, each appointed by the Supreme Court; 2 members of the State Bar of California who have practiced law in this State for 10 years, appointed by its governing body; and 2 citizens who are not judges, retired judges, or members of the State Bar of California, appointed by the Governor and approved by the Senate, a majority of the

membership concurring. Except as provided in subdivision (b), all terms are 4 years. No member shall serve more than 2 4-year terms.

Commission membership terminates if a member ceases to hold the position that qualified the member for appointment. A vacancy shall be filled by the appointing power for the remainder of the term. A member whose term has expired may continue to serve until the vacancy has been filled by the appointing power.

(b) To create staggered terms among the members of the Commission on Judicial Performance, the following members shall be appointed, as follows:

(1) The court of appeal member appointed to immediately succeed the term that expires on November 8, 1988, shall serve a 2-year term.

(2) Of the State Bar members appointed to immediately succeed terms that expire on December 31, 1988, one member shall serve for a 2-year term. [*As amended November 8, 1988. Operative until March 1, 1995. See Section 8, below.*]

[*Commission on Judicial Performance—Membership*]

SEC. 8. (a) The Commission on Judicial Performance consists of one judge of a court of appeal, one judge of a superior court, and one judge of a municipal court, each appointed by the Supreme Court; 2 members of the State Bar of California who have practiced law in this State for 10 years, each appointed by the Governor; and 6 citizens who are not judges, retired judges, or members of the State Bar of California, 2 of whom shall be appointed by the Governor, 2 by the Senate Committee on Rules, and 2 by the Speaker of the Assembly. Except as provided in subdivision (b), all terms are for 4 years. No member shall serve more than 2 4-year terms, or for more than a total of 10 years if appointed to fill a vacancy.

Commission membership terminates if a member ceases to hold the position that qualified the member for appointment. A vacancy shall be filled by the appointing power for the remainder of the term. A member whose term has expired may continue to serve until the vacancy has been filled by the appointing power. Appointing powers may appoint members who are already serving on the commission prior to March 1, 1995, to a single 2-year term, but may not appoint them to an additional term thereafter.

(b) To create staggered terms among the members of the Commission on Judicial Performance, the following members shall be appointed, as follows:

(1) Two members appointed by the Supreme Court to a term commencing March 1, 1995, shall each serve a term of 2 years and may be reappointed to one full term.

(2) One attorney appointed by the Governor to a term commencing March 1, 1995, shall serve a term of 2 years and may be reappointed to one full term.

(3) One citizen member appointed by the Governor to a term commencing March 1, 1995, shall serve a term of 2 years and may be reappointed to one full term.

(4) One member appointed by the Senate Committee on Rules to a term commencing March 1, 1995, shall serve a term of 2 years and may be reappointed to one full term.

(5) One member appointed by the Speaker of the Assembly to a term commencing March 1, 1995, shall serve a term of 2 years and may be reappointed to one full term.

(6) All other members shall be appointed to full 4-year terms commencing March 1, 1995. [*As amended November 8, 1994. Operative March 1, 1995. See Section 8, above.*]

SEC. 9. [*Repealed November 8, 1966. See Section 9, below.*]

[*State Bar*]

SEC. 9. The State Bar of California is a public corporation. Every person admitted and licensed to practice law in this State is and shall be a member of the State Bar except while holding office as a judge of a court of record. [*New section adopted November 8, 1966.*]

SEC. 10. [*Repealed November 8, 1966. See Section 10, below.*]

[*Jurisdiction—Original*]

SEC. 10. The Supreme Court, courts of appeal, superior courts, and their judges have original jurisdiction in habeas corpus proceedings. Those courts also have original jurisdiction in proceedings for extraordinary relief in the nature of mandamus, certiorari, and prohibition.

Superior courts have original jurisdiction in all causes except those given by statute to other trial courts.

The court may make such comment on the evidence and the testimony and credibility of any witness as in its opinion is necessary for the proper determination of the cause. [*New section adopted November 8, 1966.*]

SEC. 10a. [*Repealed November 8, 1966.*]

SEC. 10b. [*Repealed November 8, 1966.*]

[*Jurisdiction—Appellate*]

SEC. 11. The Supreme Court has appellate jurisdiction when judgment of death has been pronounced. With that exception courts of appeal have appellate jurisdiction when superior courts have original jurisdiction and in other causes prescribed by statute.

Superior courts have appellate jurisdiction in causes prescribed by statute that arise in municipal and justice courts in their counties.

The Legislature may permit appellate courts to take evidence and make findings of fact when jury trial is waived or not a matter of right. [*New section adopted November 8, 1966. Operative until January 1, 1995. See Section 11, below.*]

[*Jurisdiction—Appellate*]

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Superior courts have appellate jurisdiction in causes prescribed by statute that arise in municipal courts in their counties.

The Legislature may permit appellate courts to take evidence and make findings of fact when jury trial is waived or not a matter of right. [*As amended November 8, 1994. Operative January 1, 1995. See Section 11, above.*]

[*Transfer of Causes—Jurisdiction—Review of Decisions*]

SEC. 12. (a) The Supreme Court may, before decision, transfer to itself a cause in a court of appeal. It may, before decision, transfer a cause from itself to a court of appeal or from one court of appeal or division to another. The court to which a cause is transferred has jurisdiction.

(b) The Supreme Court may review the decision of a court of appeal in any cause.

(c) The Judicial Council shall provide, by rules of court, for the time and procedure for transfer and for review, including, among other things, provisions for the time and procedure for transfer with instructions, for review of all or part of a decision, and for remand as improvidently granted.

(d) This section shall not apply to an appeal involving a judgment of death. [*As amended November 6, 1984. Operative May 6, 1985.*]

[*Judgment—When Set Aside*]

SEC. 13. No judgment shall be set aside, or new trial granted, in any cause, on the ground of misdirection of the jury, or of the improper admission or rejection of evidence, or for any error as to any matter of pleading, or for any error as to any matter of procedure, unless, after an examination of the entire cause, including the evidence, the court shall be of the opinion that the error complained of has resulted in a miscarriage of justice. [*New section adopted November 8, 1966.*]

SEC. 14. [*Repealed November 8, 1966. See Section 14, below.*]

[*Supreme Court and Appellate Court—Published Opinions*]

SEC. 14. The Legislature shall provide for the prompt publication of such opinions of the Supreme Court and courts of appeal as the Supreme Court deems appropriate, and those opinions shall be available for publication by any person.

Decisions of the Supreme Court and courts of appeal that determine causes shall be in writing with reasons stated. [*New section adopted November 8, 1966.*]

[Judges—Eligibility]

SEC. 15. A person is ineligible to be a judge of a court of record unless for 5 years immediately preceding selection to a municipal or justice court or 10 years immediately preceding selection to other courts, the person has been a member of the State Bar or served as a judge of a court of record in this State. A judge eligible for municipal court service may be assigned by the Chief Justice to serve on any court. *[As amended November 8, 1988. Operative until January 1, 1995. See Section 15, below.]*

[Judges—Eligibility]

SEC. 15. A person is ineligible to be a judge of a court of record unless for 5 years immediately preceding selection to a municipal court or 10 years immediately preceding selection to other courts, the person has been a member of the State Bar or served as a judge of a court of record in this State. A judge eligible for municipal court service may be assigned by the Chief Justice to serve on any court. *[As amended November 8, 1994. Operative January 1, 1995. See Section 15, above.]*

SEC. 15.5. *[Repealed January 1, 1995.]*

[Judges—Elections—Terms—Vacancies]

SEC. 16. (a) Judges of the Supreme Court shall be elected at large and judges of courts of appeal shall be elected in their districts at general elections at the same time and places as the Governor. Their terms are 12 years beginning the Monday after January 1 following their election, except that a judge elected to an unexpired term serves the remainder of the term. In creating a new court of appeal district or division the Legislature shall provide that the first elective terms are 4, 8, and 12 years.

(b) Judges of other courts shall be elected in their counties or districts at general elections. The Legislature may provide that an unopposed incumbent's name not appear on the ballot.

(c) Terms of judges of superior courts are 6 years beginning the Monday after January 1 following their election. A vacancy shall be filled by election to a full term at the next general election after the January 1 following the vacancy, but the Governor shall appoint a person to fill the vacancy temporarily until the elected judge's term begins.

(d) Within 30 days before August 16 preceding the expiration of the judge's term, a judge of the Supreme Court or a court of appeal may file a declaration of candidacy to succeed to the office presently held by the judge. If the declaration is not filed, the Governor before September 16 shall nominate a candidate. At the next general election, only the candidate so declared or nominated may appear on the ballot, which shall present the question whether the candidate shall be elected. The candidate shall be elected upon receiving a majority of the votes on the question. A candidate not elected may not be appointed to that court but later may be nominated and elected.

The Governor shall fill vacancies in those courts by appointment. An appointee holds office until the Monday after January 1 following the first general election at which the appointee had the right to become a candidate or until an elected judge qualifies. A nomination or appointment by the Governor is effective when confirmed by the Commission on Judicial Appointments.

Electors of a county, by majority of those voting and in a manner the Legislature shall provide, may make this system of selection applicable to judges of superior courts. [*As amended November 5, 1974.*]

[*Judges—Restrictions, Other Employment, and Benefits*]

SEC. 17. A judge of a court of record may not practice law and during the term for which the judge was selected is ineligible for public employment or public office other than judicial employment or judicial office, except a judge of a court of record may accept a part-time teaching position that is outside the normal hours of his or her judicial position and that does not interfere with the regular performance of his or her judicial duties while holding office. A judge of a trial court of record may, however, become eligible for election to other public office by taking a leave of absence without pay prior to filing a declaration of candidacy. Acceptance of the public office is a resignation from the office of judge.

A judicial officer may not receive fines or fees for personal use.

A judicial officer may not earn retirement service credit from a public teaching position while holding judicial office. [*As amended November 8, 1988.*]

[*Judges—Disqualification, Suspension, Removal, Retirement, or Repeval*]

SEC. 18. (a) A judge is disqualified from acting as a judge, without loss of salary, while there is pending (1) an indictment or an information charging the judge in the United States with a crime punishable as a felony under California or federal law, or (2) a recommendation to the Supreme Court by the Commission on Judicial Performance for removal or retirement of the judge.

(b) On recommendation of the Commission on Judicial Performance or on its own motion, the Supreme Court may suspend a judge from office without salary when in the United States the judge pleads guilty or no contest or is found guilty of a crime punishable as a felony under California or federal law or of any other crime that involves moral turpitude under that law. If the conviction is reversed suspension terminates, and the judge shall be paid the salary for the judicial office held by the judge for the period of suspension. If the judge is suspended and the conviction becomes final the Supreme Court shall remove the judge from office.

(c) On recommendation of the Commission on Judicial Performance the Supreme Court may (1) retire a judge for disability that seriously interferes with the performance of the judge's duties and is or is

likely to become permanent, and (2) censure or remove a judge for action occurring not more than 6 years prior to the commencement of the judge's current term that constitutes wilful misconduct in office, persistent failure or inability to perform the judge's duties, habitual intemperance in the use of intoxicants or drugs, or conduct prejudicial to the administration of justice that brings the judicial office into disrepute. The Commission on Judicial Performance may privately admonish a judge found to have engaged in an improper action or a dereliction of duty, subject to review in the Supreme Court in the manner provided for review of causes decided by a court of appeal.

(d) A judge retired by the Supreme Court shall be considered to have retired voluntarily. A judge removed by the Supreme Court is ineligible for judicial office and pending further order of the court is suspended from practicing law in this State.

(e) A recommendation of the Commission on Judicial Performance for the censure, removal or retirement of a judge of the Supreme Court shall be determined by a tribunal of 7 court of appeal judges selected by lot.

(f) If, after conducting a preliminary investigation, the Commission on Judicial Performance by vote determines that formal proceedings should be instituted:

(1) The judge or judges charged may require that formal hearings be public, unless the Commission on Judicial Performance by vote finds good cause for confidential hearings.

(2) The Commission on Judicial Performance may, without further review in the Supreme Court, issue a public reproof with the consent of the judge for conduct warranting discipline. The public reproof shall include an enumeration of any and all formal charges brought against the judge which have not been dismissed by the commission.

(3) The Commission on Judicial Performance may in the pursuit of public confidence and the interests of justice, issue press statements or releases or, in the event charges involve moral turpitude, dishonesty, or corruption, open hearings to the public.

(g) The Commission on Judicial Performance may issue explanatory statements at any investigatory stage when the subject matter is generally known to the public.

(h) The Judicial Council shall make rules implementing this section and providing for confidentiality of proceedings. [*As amended November 8, 1988. Operative until March 1, 1995. See Section 18, below.*]

[Judges—Discipline]

SEC. 18. (a) A judge is disqualified from acting as a judge, without loss of salary, while there is pending (1) an indictment or an information charging the judge in the United States with a crime punishable as a felony under California or federal law, or (2) a petition to the Supreme Court to review a determination by the Commission on Judicial Performance to remove or retire a judge.

(b) The Commission on Judicial Performance may disqualify a judge from acting as a judge, without loss of salary, upon notice of formal proceedings by the commission charging the judge with judicial misconduct or disability.

(c) The Commission on Judicial Performance shall suspend a judge from office without salary when in the United States the judge pleads guilty or no contest or is found guilty of a crime punishable as a felony under California or federal law or of any other crime that involves moral turpitude under that law. If the conviction is reversed, suspension terminates, and the judge shall be paid the salary for the judicial office held by the judge for the period of suspension. If the judge is suspended and the conviction becomes final, the Commission on Judicial Performance shall remove the judge from office.

(d) Except as provided in subdivision (f), the Commission on Judicial Performance may (1) retire a judge for disability that seriously interferes with the performance of the judge's duties and is or is likely to become permanent, or (2) censure a judge or former judge or remove a judge for action occurring not more than 6 years prior to the commencement of the judge's current term or of the former judge's last term that constitutes willful misconduct in office, persistent failure or inability to perform the judge's duties, habitual intemperance in the use of intoxicants or drugs, or conduct prejudicial to the administration of justice that brings the judicial office into disrepute, or (3) publicly or privately admonish a judge or former judge found to have engaged in an improper action or dereliction of duty. The commission may also bar a former judge who has been censured from receiving an assignment, appointment, or reference of work from any California state court. Upon petition by the judge or former judge, the Supreme Court may, in its discretion, grant review of a determination by the commission to retire, remove, censure, admonish, or disqualify pursuant to subdivision (b) a judge or former judge. When the Supreme Court reviews a determination of the commission, it may make an independent review of the record. If the Supreme Court has not acted within 120 days after granting the petition, the decision of the commission shall be final.

(e) A judge retired by the commission shall be considered to have retired voluntarily. A judge removed by the commission is ineligible for judicial office, including receiving an assignment, appointment, or reference of work from any California state court, and pending further order of the court is suspended from practicing law in this State. The State Bar may institute appropriate attorney disciplinary proceedings against any judge who retires or resigns from office with judicial disciplinary charges pending.

(f) A determination by the Commission on Judicial Performance to admonish or censure a judge or former judge of the Supreme Court or remove or retire a judge of the Supreme Court shall be reviewed by a tribunal of 7 court of appeal judges selected by lot.

(g) No court, except the Supreme Court, shall have jurisdiction in a civil action or other legal proceeding of any sort brought against the

commission by a judge. Any request for injunctive relief or other provisional remedy shall be granted or denied within 90 days of the filing of the request for relief. A failure to comply with the time requirements of this section does not affect the validity of commission proceedings.

(h) Members of the commission, the commission staff, and the examiners and investigators employed by the commission shall be absolutely immune from suit for all conduct at any time in the course of their official duties. No civil action may be maintained against a person, or adverse employment action taken against a person, by any employer, public or private, based on statements presented by the person to the commission.

(i) The Commission on Judicial Performance shall make rules implementing this section, including, but not limited to, the following:

(1) The commission shall make rules for the investigation of judges. The commission may provide for the confidentiality of complaints to and investigations by the commission.

(2) The commission shall make rules for formal proceedings against judges when there is cause to believe there is a disability or wrongdoing within the meaning of subdivision (d).

(j) When the commission institutes formal proceedings, the notice of charges, the answer, and all subsequent papers and proceedings shall be open to the public for all formal proceedings instituted after February 28, 1995.

(k) The commission may make explanatory statements.

(l) The budget of the commission shall be separate from the budget of any other state agency or court.

(m) The Supreme Court shall make rules for the conduct of judges, both on and off the bench, and for judicial candidates in the conduct of their campaigns. These rules shall be referred to as the Code of Judicial Ethics. [*As amended November 8, 1994. Operative March 1, 1995. See Section 18, above.*]

[Disciplined Judge Under Consideration for Judicial Appointment]

SEC. 18.5. (a) Upon request, the Commission on Judicial Performance shall provide to the Governor of any State of the Union the text of any private admonishment, advisory letter, or other disciplinary action together with any information that the Commission on Judicial Performance deems necessary to a full understanding of the commission's action, with respect to any applicant whom the Governor of any State of the Union indicates is under consideration for any judicial appointment.

(b) Upon request, the Commission on Judicial Performance shall provide the President of the United States the text of any private admonishment, advisory letter, or other disciplinary action together with any information that the Commission on Judicial Performance deems necessary to a full understanding of the commission's action, with respect to any applicant whom the President indicates is under consideration for any federal judicial appointment.

(c) Upon request, the Commission on Judicial Performance shall provide the Commission on Judicial Appointments the text of any private admonishment, advisory letter, or other disciplinary action together with any information that the Commission on Judicial Performance deems necessary to a full understanding of the commission action, with respect to any applicant whom the Commission on Judicial Appointments indicates is under consideration for any judicial appointment.

(d) All information released under this section shall remain confidential and privileged.

(e) Notwithstanding subdivision (d), any information released pursuant to this section shall also be provided to the applicant about whom the information was requested.

(f) "Private admonishment" refers to a disciplinary action against a judge by the Commission on Judicial Performance as authorized by subdivision (c) of Section 18 of Article VI, as amended November 8, 1988. [*New section adopted November 8, 1994. Operative March 1, 1995.*]

[*Judges—Compensation*]

SEC. 19. The Legislature shall prescribe compensation for judges of courts of record.

A judge of a court of record may not receive the salary for the judicial office held by the judge while any cause before the judge remains pending and undetermined for 90 days after it has been submitted for decision. [*As amended November 5, 1974.*]

SEC. 20. [*Repealed November 8, 1966. See Section 20, below.*]

[*Judges—Retirement—Disability*]

SEC. 20. The Legislature shall provide for retirement, with reasonable allowance, of judges of courts of record for age or disability. [*New section adopted November 8, 1966.*]

SEC. 21. [*Repealed November 8, 1966. See Section 21, below.*]

[*Temporary Judges*]

SEC. 21. On stipulation of the parties litigant the court may order a cause to be tried by a temporary judge who is a member of the State Bar, sworn and empowered to act until final determination of the cause. [*New section adopted November 8, 1966.*]

[*Appointment of Officers—Subordinate Judicial Duties*]

SEC. 22. The Legislature may provide for the appointment by trial courts of record of officers such as commissioners to perform subordinate judicial duties. [*New section adopted November 8, 1966.*]

SEC. 23. [*Repealed November 8, 1966.*]

SEC. 24. [*Repealed November 8, 1966.*]

SEC. 26. [*Repealed November 8, 1966.*]

ARTICLE VII *

PUBLIC OFFICERS AND EMPLOYEES

[Civil Service]

SECTION 1. (a) The civil service includes every officer and employee of the State except as otherwise provided in this Constitution.

(b) In the civil service permanent appointment and promotion shall be made under a general system based on merit ascertained by competitive examination. [*New section adopted June 8, 1976.*]

[Personnel Board—Membership and Compensation]

SEC. 2. (a) There is a Personnel Board of 5 members appointed by the Governor and approved by the Senate, a majority of the membership concurring, for 10-year terms and until their successors are appointed and qualified. Appointment to fill a vacancy is for the unexpired portion of the term. A member may be removed by concurrent resolution adopted by each house, two-thirds of the membership of each house concurring.

(b) The board annually shall elect one of its members as presiding officer.

(c) The board shall appoint and prescribe compensation for an executive officer who shall be a member of the civil service but not a member of the board. [*New section adopted June 8, 1976.*]

[Personnel Board—Duties]

SEC. 3. (a) The board shall enforce the civil service statutes and, by majority vote of all its members, shall prescribe probationary periods and classifications, adopt other rules authorized by statute, and review disciplinary actions.

(b) The executive officer shall administer the civil service statutes under rules of the board. [*New section adopted June 8, 1976.*]

[Exempt Positions]

SEC. 4. The following are exempt from civil service:

(a) Officers and employees appointed or employed by the Legislature, either house, or legislative committees.

(b) Officers and employees appointed or employed by councils, commissions or public corporations in the judicial branch or by a court of record or officer thereof.

(c) Officers elected by the people and a deputy and an employee selected by each elected officer.

(d) Members of boards and commissions.

(e) A deputy or employee selected by each board or commission either appointed by the Governor or authorized by statute.

* New Article VII adopted June 8, 1976.

(f) State officers directly appointed by the Governor with or without the consent or confirmation of the Senate and the employees of the Governor's office, and the employees of the Lieutenant Governor's office directly appointed or employed by the Lieutenant Governor.

(g) A deputy or employee selected by each officer, except members of boards and commissions, exempted under Section 4(f).

(h) Officers and employees of the University of California and the California State Colleges.

(i) The teaching staff of schools under the jurisdiction of the Department of Education or the Superintendent of Public Instruction.

(j) Member, inmate, and patient help in state homes, charitable or correctional institutions, and state facilities for mentally ill or retarded persons.

(k) Members of the militia while engaged in military service.

(l) Officers and employees of district agricultural associations employed less than 6 months in a calendar year.

(m) In addition to positions exempted by other provisions of this section, the Attorney General may appoint or employ six deputies or employees, the Public Utilities Commission may appoint or employ one deputy or employee, and the Legislative Counsel may appoint or employ two deputies or employees. [*New section adopted June 8, 1976.*]

[*Temporary Appointments*]

SEC. 5. A temporary appointment may be made to a position for which there is no employment list. No person may serve in one or more positions under temporary appointment longer than 9 months in 12 consecutive months. [*New section adopted June 8, 1976.*]

[*Veterans' Preferences—Special Rules*]

SEC. 6. (a) The Legislature may provide preferences for veterans and their surviving spouses.

(b) The board by special rule may permit persons in exempt positions, brought under civil service by constitutional provision, to qualify to continue in their positions.

(c) When the State undertakes work previously performed by a county, city, public district of this State or by a federal department or agency, the board by special rule shall provide for persons who previously performed this work to qualify to continue in their positions in the state civil service subject to such minimum standards as may be established by statute. [*New section adopted June 8, 1976.*]

[*Dual Office Holding*]

SEC. 7. A person holding a lucrative office under the United States or other power may not hold a civil office of profit. A local officer or postmaster whose compensation does not exceed 500 dollars per year or an officer in the militia or a member of a reserve component of the armed forces of the United States except where on active federal duty

for more than 30 days in any year is not a holder of a lucrative office, nor is the holding of a civil office of profit affected by this military service. [*New section adopted June 8, 1976.*]

[Disqualification From Holding Office or Serving on Jury—Free Suffrage]

SEC. 8. (a) Every person shall be disqualified from holding any office of profit in this State who shall have been convicted of having given or offered a bribe to procure personal election or appointment.

(b) Laws shall be made to exclude persons convicted of bribery, perjury, forgery, malfeasance in office, or other high crimes from office or serving on juries. The privilege of free suffrage shall be supported by laws regulating elections and prohibiting, under adequate penalties, all undue influence thereon from power, bribery, tumult, or other improper practice. [*New section adopted June 8, 1976.*]

[Persons or Organizations Advocating Overthrow of Government]

SEC. 9. Notwithstanding any other provision of this Constitution, no person or organization which advocates the overthrow of the Government of the United States or the State by force or violence or other unlawful means or who advocates the support of a foreign government against the United States in the event of hostilities shall:

(a) Hold any office or employment under this State, including but not limited to the University of California, or with any county, city or county, city, district, political subdivision, authority, board, bureau, commission or other public agency of this State; or

(b) Receive any exemption from any tax imposed by this State or any county, city or county, city, district, political subdivision, authority, board, bureau, commission or other public agency of this State.

The Legislature shall enact such laws as may be necessary to enforce the provisions of this section. [*New section adopted June 8, 1976.*]

[Elected Officials—Disqualification for Libelous or Slanderous Campaign Statements]

SEC. 10. (a) No person who is found liable in a civil action for making libelous or slanderous statements against an opposing candidate during the course of an election campaign for any federal, statewide, Board of Equalization, or legislative office or for any county, city and county, city, district, or any other local elective office shall retain the seat to which he or she is elected, where it is established that the libel or slander was a major contributing cause in the defeat of an opposing candidate.

A libelous or slanderous statement shall be deemed to have been made by a person within the meaning of this section if that person actually made the statement or if the person actually or constructively assented to, authorized, or ratified the statement.

“Federal office,” as used in this section means the office of United States Senator and Member of the House of Representatives; and to the

extent that the provisions of this section do not conflict with any provision of federal law, it is intended that candidates seeking the office of United States Senator or Member of the House of Representatives comply with this section.

(b) In order to determine whether libelous or slanderous statements were a major contributing cause in the defeat of an opposing candidate, the trier of fact shall make a separate, distinct finding on that issue. If the trier of fact finds that libel or slander was a major contributing cause in the defeat of an opposing candidate and that the libelous or slanderous statement was made with knowledge that it was false or with reckless disregard of whether it was false or true, the person holding office shall be disqualified from or shall forfeit that office as provided in subdivision (d). The findings required by this section shall be in writing and shall be incorporated as part of the judgment.

(c) In a case where a person is disqualified from holding office or is required to forfeit an office under subdivisions (a) and (b), that disqualification or forfeiture shall create a vacancy in office, which vacancy shall be filled in the manner provided by law for the filling of a vacancy in that particular office.

(d) Once the judgment of liability is entered by the trial court and the time for filing a notice of appeal has expired, or all possibility of direct attack in the courts of this State has been finally exhausted, the person shall be disqualified from or shall forfeit the office involved in that election and shall have no authority to exercise the powers or perform the duties of the office.

(e) This section shall apply to libelous or slanderous statements made on or after the effective date of this section. [*New section adopted June 5, 1984.*]

[Legislators' and Judges' Retirement Systems]

SEC. 11. (a) The Legislators' Retirement System shall not pay any unmodified retirement allowance or its actuarial equivalent to any person who on or after January 1, 1987, entered for the first time any state office for which membership in the Legislators' Retirement System was elective or to any beneficiary or survivor of such a person, which exceeds the higher of (1) the salary receivable by the person currently serving in the office in which the retired person served or (2) the highest salary that was received by the retired person while serving in that office.

(b) The Judges' Retirement System shall not pay any unmodified retirement allowance or its actuarial equivalent to any person who on or after January 1, 1987, entered for the first time any judicial office subject to the Judges' Retirement System or to any beneficiary or survivor of such a person, which exceeds the higher of (1) the salary receivable by the person currently serving in the judicial office in which the retired person served or (2) the highest salary that was received by the retired person while serving in that judicial office.

(c) The Legislature may define the terms used in this section.

(d) If any part of this measure or the application to any person or circumstance is held invalid, the invalidity shall not affect other provisions or applications which reasonably can be given effect without the invalid provision or application. [*As amended November 6, 1990. Initiative measure.*]

ARTICLE VIII. [*Repealed November 8, 1966.*]

ARTICLE IX

EDUCATION

[*Legislative Policy*]

SECTION 1. A general diffusion of knowledge and intelligence being essential to the preservation of the rights and liberties of the people, the Legislature shall encourage by all suitable means the promotion of intellectual, scientific, moral, and agricultural improvement.

[*Superintendent of Public Instruction—Election—Date of Office—Number of Terms*]

SEC. 2. A Superintendent of Public Instruction shall be elected by the qualified electors of the State at each gubernatorial election. The Superintendent of Public Instruction shall enter upon the duties of the office on the first Monday after the first day of January next succeeding each gubernatorial election. No Superintendent of Public Instruction may serve more than 2 terms. [*As amended November 6, 1990. Initiative measure.*]

[*Deputy and Associate Superintendents of Public Instruction*]

SEC. 2.1. The State Board of Education, on nomination of the Superintendent of Public Instruction, shall appoint one Deputy Superintendent of Public Instruction and three Associate Superintendents of Public Instruction who shall be exempt from state civil service and whose terms of office shall be four years.

This section shall not be construed as prohibiting the appointment, in accordance with law, of additional Associate Superintendents of Public Instruction subject to state civil service. [*New section adopted November 5, 1946.*]

[*County Superintendents of Schools*]

SEC. 3. A Superintendent of Schools for each county may be elected by the qualified electors thereof at each gubernatorial election or may be appointed by the county board of education, and the manner of the selection shall be determined by a majority vote of the electors of the county voting on the question; provided, that two or more counties may, by an election conducted pursuant to Section 3.2 of this arti-

cle, unite for the purpose of electing or appointing one joint superintendent for the counties so uniting. [*As amended November 2, 1976.*]

[*County Superintendents of Schools—Qualifications and Salaries*]

SEC. 3.1. (a) Notwithstanding any provision of this Constitution to the contrary, the Legislature shall prescribe the qualifications required of county superintendents of schools, and for these purposes shall classify the several counties in the State.

(b) Notwithstanding any provision of this Constitution to the contrary, the county board of education or joint county board of education, as the case may be, shall fix the salary of the county superintendent of schools or the joint county superintendent of schools, respectively. [*As amended November 2, 1976.*]

[*Joint County Board of Education—Joint County Superintendent of Schools*]

SEC. 3.2. Notwithstanding any provision of this Constitution to the contrary, any two or more chartered counties, or nonchartered counties, or any combination thereof, may, by a majority vote of the electors of each such county voting on the proposition at an election called for that purpose in each such county, establish one joint board of education and one joint county superintendent of schools for the counties so uniting. A joint county board of education and a joint county superintendent of schools shall be governed by the general statutes and shall not be governed by the provisions of any county charter. [*New section adopted November 2, 1976.*]

[*County Boards of Education—Qualifications and Terms of Office*]

SEC. 3.3. Except as provided in Section 3.2 of this article, it shall be competent to provide in any charter framed for a county under any provision of this Constitution, or by the amendment of any such charter, for the election of the members of the county board of education of such county and for their qualifications and terms of office. [*As amended November 2, 1976.*]

SEC. 4. [*Repealed November 3, 1964.*]

[*Common School System*]

SEC. 5. The Legislature shall provide for a system of common schools by which a free school shall be kept up and supported in each district at least six months in every year, after the first year in which a school has been established.

[*Public Schools—Salaries*]

SEC. 6. Each person, other than a substitute employee, employed by a school district as a teacher or in any other position requiring certification qualifications shall be paid a salary which shall be at the rate

of an annual salary of not less than twenty-four hundred dollars (\$2,400) for a person serving full time, as defined by law.

[Public School System]

The Public School System shall include all kindergarten schools, elementary schools, secondary schools, technical schools, and state colleges, established in accordance with law and, in addition, the school districts and the other agencies authorized to maintain them. No school or college or any other part of the Public School System shall be, directly or indirectly, transferred from the Public School System or placed under the jurisdiction of any authority other than one included within the Public School System.

[Support of Public School System—State Aid]

The Legislature shall add to the State School Fund such other means from the revenues of the State as shall provide in said fund for apportionment in each fiscal year, an amount not less than one hundred eighty dollars (\$180) per pupil in average daily attendance in the kindergarten schools, elementary schools, secondary schools, and technical schools in the Public School System during the next preceding fiscal year.

The entire State School Fund shall be apportioned in each fiscal year in such manner as the Legislature may provide, through the school districts and other agencies maintaining such schools, for the support of, and aid to, kindergarten schools, elementary schools, secondary schools, and technical schools except that there shall be apportioned to each school district in each fiscal year not less than one hundred twenty dollars (\$120) per pupil in average daily attendance in the district during the next preceding fiscal year and except that the amount apportioned to each school district in each fiscal year shall be not less than twenty-four hundred dollars (\$2,400).

Solely with respect to any retirement system provided for in the charter of any county or city and county pursuant to the provisions of which the contributions of, and benefits to, certificated employees of a school district who are members of such system are based upon the proportion of the salaries of such certificated employees contributed by said county or city and county, all amounts apportioned to said county or city and county, or to school districts therein, pursuant to the provisions of this section shall be considered as though derived from county or city and county school taxes for the support of county and city and county government and not money provided by the State within the meaning of this section. *[As amended November 5, 1974.]*

[School Districts—Bonds]

SEC. 6½. Nothing in this Constitution contained shall forbid the formation of districts for school purposes situate in more than one county or the issuance of bonds by such districts under such general laws as

have been or may hereafter be prescribed by the Legislature; and the officers mentioned in such laws shall be authorized to levy and assess such taxes and perform all such other acts as may be prescribed therein for the purpose of paying such bonds and carrying out the other powers conferred upon such districts; *provided*, that all such bonds shall be issued subject to the limitations prescribed in section eighteen† of article eleven hereof. [*New section adopted November 7, 1922.*]

[*Boards of Education*]

SEC. 7. The Legislature shall provide for the appointment or election of the State Board of Education and a board of education in each county or for the election of a joint county board of education for two or more counties. [*As amended November 2, 1976.*]

[*Free Textbooks*]

SEC. 7.5. The State Board of Education shall adopt textbooks for use in grades one through eight throughout the State, to be furnished without cost as provided by statute. [*New section adopted June 2, 1970.*]

[*Sectarian Schools—Public Money—Doctrines*]

SEC. 8. No public money shall ever be appropriated for the support of any sectarian or denominational school, or any school not under the exclusive control of the officers of the public schools; nor shall any sectarian or denominational doctrine be taught, or instruction thereon be permitted, directly or indirectly, in any of the common schools of this State.

[*University of California*]

SEC. 9. (a) The University of California shall constitute a public trust, to be administered by the existing corporation known as "The Regents of the University of California," with full powers of organization and government, subject only to such legislative control as may be necessary to insure the security of its funds and compliance with the terms of the endowments of the university and such competitive bidding procedures as may be made applicable to the university by statute for the letting of construction contracts, sales of real property, and purchasing of materials, goods, and services. Said corporation shall be in form a board composed of seven *ex officio* members, which shall be: the Governor, the Lieutenant Governor, the Speaker of the Assembly, the Superintendent of Public Instruction, the president and the vice president of the alumni association of the university and the acting president of the university, and 18 appointive members appointed by the Governor and approved by the Senate, a majority of the membership con-

† Former Section 18 of Article XI added to Article XIII as Section 40, June 2, 1970 and repealed November 5, 1974.

curing; provided, however that the present appointive members shall hold office until the expiration of their present terms.

(b) The terms of the members appointed prior to November 5, 1974, shall be 16 years; the terms of two appointive members to expire as heretofore on March 1st of every even-numbered calendar year, and two members shall be appointed for terms commencing on March 1, 1976, and on March 1 of each year thereafter; provided that no such appointments shall be made for terms to commence on March 1, 1979, or on March 1 of each fourth year thereafter, to the end that no appointment to the regents for a newly commencing term shall be made during the first year of any gubernatorial term of office. The terms of the members appointed for terms commencing on and after March 1, 1976, shall be 12 years. During the period of transition until the time when the appointive membership is comprised exclusively of persons serving for terms of 12 years, the total number of appointive members may exceed the numbers specified in the preceeding paragraph.

In case of any vacancy, the term of office of the appointee to fill such vacancy, who shall be appointed by the Governor and approved by the Senate, a majority of the membership concurring, shall be for the balance of the term for which such vacancy exists.

(c) The members of the board may, in their discretion, following procedures established by them and after consultation with representatives of faculty and students of the university, including appropriate officers of the academic senate and student governments, appoint to the board either or both of the following persons as members with all rights of participation: a member of the faculty at a campus of the university or of another institution of higher education; a person enrolled as a student at a campus of the university for each regular academic term during his service as a member of the board. Any person so appointed shall serve for not less than one year commencing on July 1.

(d) Regents shall be able persons broadly reflective of the economic, cultural, and social diversity of the State, including ethnic minorities and women. However, it is not intended that formulas or specific ratios be applied in the selection of regents.

(e) In the selection of the Regents, the Governor shall consult an advisory committee composed as follows: The Speaker of the Assembly and two public members appointed by the Speaker, the President Pro Tempore of the Senate and two public members appointed by the Rules Committee of the Senate, two public members appointed by the Governor, the chairman of the regents of the university, an alumnus of the university chosen by the alumni association of the university, a student of the university chosen by the Council of Student Body Presidents, and a member of the faculty of the university chosen by the academic senate of the university. Public members shall serve for four years, except that one each of the initially appointed members selected by the Speaker of the Assembly, the President Pro Tempore of the Senate, and the Governor shall be appointed to serve for two years; stu-

dent, alumni, and faculty members shall serve for one year and may not be regents of the university at the time of their service on the advisory committee.

(f) The Regents of the University of California shall be vested with the legal title and the management and disposition of the property of the university and of property held for its benefit and shall have the power to take and hold, either by purchase or by donation, or gift, testamentary or otherwise, or in any other manner, without restriction, all real and personal property for the benefit of the university or incidentally to its conduct; provided, however, that sales of university real property shall be subject to such competitive bidding procedures as may be provided by statute. Said corporation shall also have all the powers necessary or convenient for the effective administration of its trust, including the power to sue and to be sued, to use a seal, and to delegate to its committees or to the faculty of the university, or to others, such authority or functions as it may deem wise. The Regents shall receive all funds derived from the sale of lands pursuant to the act of Congress of July 2, 1862, and any subsequent acts amendatory thereof. The university shall be entirely independent of all political or sectarian influence and kept free therefrom in the appointment of its regents and in the administration of its affairs, and no person shall be debarred admission to any department of the university on account of race, religion, ethnic heritage, or sex.

(g) Meetings of the Regents of the University of California shall be public, with exceptions and notice requirements as may be provided by statute. [*As amended November 2, 1976.*]

SEC. 10. [*Repealed November 5, 1974.*]

SEC. 11. [*Repealed November 5, 1974.*]

SEC. 12. [*Repealed November 5, 1974.*]

SEC. 13. [*Repealed November 5, 1974.*]

[*School District Incorporation and Organization—Governing Board Powers*]

SEC. 14. The Legislature shall have power, by general law, to provide for the incorporation and organization of school districts, high school districts, and community college districts, of every kind and class, and may classify such districts.

The Legislature may authorize the governing boards of all school districts to initiate and carry on any programs, activities, or to otherwise act in any manner which is not in conflict with the laws and purposes for which school districts are established. [*As amended November 7, 1972. Operative July 1, 1973.*]

SEC. 15. [*Repealed November 5, 1974.*]

[*Boards of Education—City Charter Provisions*]

SEC. 16. (a) It shall be competent, in all charters framed under the authority given by Section 5 of Article XI, to provide, in addition to

those provisions allowable by this Constitution, and by the laws of the State for the manner in which, the times at which, and the terms for which the members of boards of education shall be elected or appointed, for their qualifications, compensation and removal, and for the number which shall constitute any one of such boards.

[Charter Amendments—Approval by Voters]

(b) Notwithstanding Section 3 of Article XI, when the boundaries of a school district or community college district extend beyond the limits of a city whose charter provides for any or all of the foregoing with respect to the members of its board of education, no charter amendment effecting a change in the manner in which, the times at which, or the terms for which the members of the board of education shall be elected or appointed, for their qualifications, compensation, or removal, or for the number which shall constitute such board, shall be adopted unless it is submitted to and approved by a majority of all the qualified electors of the school district or community college district voting on the question. Any such amendment, and any portion of a proposed charter or a revised charter which would establish or change any of the foregoing provisions respecting a board of education, shall be submitted to the electors of the school district or community college district as one or more separate questions. The failure of any such separate question to be approved shall have the result of continuing in effect the applicable existing law with respect to that board of education. *[As amended June 6, 1978.]*

ARTICLE X *

WATER

[State's Right of Eminent Domain]

SECTION 1. The right of eminent domain is hereby declared to exist in the State to all frontages on the navigable waters of this State. *[New section adopted June 8, 1976.]*

[Conservation and Beneficial Use of Water—Riparian Rights]

SEC. 2. It is hereby declared that because of the conditions prevailing in this State the general welfare requires that the water resources of the State be put to beneficial use to the fullest extent of which they are capable, and that the waste or unreasonable use or unreasonable method of use of water be prevented, and that the conservation of such waters is to be exercised with a view to the reasonable and beneficial use thereof in the interest of the people and for the public welfare. The right to water or to the use or flow of water in or from any natural stream or water course in this State is and shall be limited to such water

* New Article X adopted June 8, 1976.

as shall be reasonably required for the beneficial use to be served, and such right does not and shall not extend to the waste or unreasonable use or unreasonable method of use or unreasonable method of diversion of water. Riparian rights in a stream or water course attach to, but to no more than so much of the flow thereof as may be required or used consistently with this section, for the purposes for which such lands are, or may be made adaptable, in view of such reasonable and beneficial uses; provided, however, that nothing herein contained shall be construed as depriving any riparian owner of the reasonable use of water of the stream to which the owner's land is riparian under reasonable methods of diversion and use, or as depriving any appropriator of water to which the appropriator is lawfully entitled. This section shall be self-executing, and the Legislature may also enact laws in the furtherance of the policy in this section contained. [*New section adopted June 8, 1976.*]

[*Tidelands*]

SEC. 3. All tidelands within two miles of any incorporated city, city and county, or town in this State, and fronting on the water of any harbor, estuary, bay, or inlet used for the purposes of navigation, shall be withheld from grant or sale to private persons, partnerships, or corporations; provided, however, that any such tidelands, reserved to the State solely for street purposes, which the Legislature finds and declares are not used for navigation purposes and are not necessary for such purposes may be sold to any town, city, county, city and county, municipal corporations, private persons, partnerships or corporations subject to such conditions as the Legislature determines are necessary to be imposed in connection with any such sales in order to protect the public interest. [*New section adopted June 8, 1976.*]

[*Access to Navigable Waters*]

SEC. 4. No individual, partnership, or corporation, claiming or possessing the frontage or tidal lands of a harbor, bay, inlet, estuary, or other navigable water in this State, shall be permitted to exclude the right of way to such water whenever it is required for any public purpose, nor to destroy or obstruct the free navigation of such water; and the Legislature shall enact such laws as will give the most liberal construction to this provision, so that access to the navigable waters of this State shall be always attainable for the people thereof. [*New section adopted June 8, 1976.*]

[*State Control of Water Use*]

SEC. 5. The use of all water now appropriated, or that may hereafter be appropriated, for sale, rental, or distribution, is hereby declared to be a public use, and subject to the regulation and control of the State, in the manner to be prescribed by law. [*New section adopted June 8, 1976.*]

[Compensation for Water Use]

SEC. 6. The right to collect rates or compensation for the use of water supplied to any county, city and county, or town, or the inhabitants thereof, is a franchise, and cannot be exercised except by authority of and in the manner prescribed by law. *[New section adopted June 8, 1976.]*

[Acquisition of Real Property—Conformance to California Water Laws]

SEC. 7. Whenever any agency of government, local, state, or federal, hereafter acquires any interest in real property in this State, the acceptance of the interest shall constitute an agreement by the agency to conform to the laws of California as to the acquisition, control, use, and distribution of water with respect to the land so acquired. *[New section adopted June 8, 1976.]*

ARTICLE X A*

WATER RESOURCES DEVELOPMENT

[Article X A has no force or effect because Senate Bill No. 200 of the 1979–80 Regular Session of the Legislature was defeated by referendum vote June 8, 1982]

[Water Rights, Water Quality, and Fish and Wildlife Resources Guaranteed and Protected]

SECTION 1. The people of the State hereby provide the following guarantees and protections in this article for water rights, water quality, and fish and wildlife resources. *[New section adopted November 4, 1980. Section has no force or effect because Senate Bill No. 200 of the 1979–80 Regular Session of the Legislature was defeated by referendum vote June 8, 1982.]*

[Statutes for Protection of Fish and Wildlife Resources, Delta, Etc.]

SEC. 2. No statute amending or repealing, or adding to, the provisions of the statute enacted by Senate Bill No. 200 † of the 1979–80 Regular Session of the Legislature which specify (1) the manner in which the State will protect fish and wildlife resources in the Sacramento-San Joaquin Delta, Suisun Marsh, and San Francisco Bay system westerly of the delta; (2) the manner in which the State will protect existing water rights in the Sacramento-San Joaquin Delta; and (3) the manner in which the State will operate the State Water Resources Development System to comply with water quality standards and water quality control plans, shall become effective unless approved by the electors in the same manner as statutes amending initiative statutes are approved; ex-

*New Article XA adopted November 4, 1980.

† Chapter 632, Statutes of 1980.

cept that the Legislature may, by statute passed in each house by roll call vote entered in the journal, two-thirds of the membership concurring, amend or repeal, or add to, these provisions if the statute does not in any manner reduce the protection of the delta or fish and wildlife. [*New section adopted November 4, 1980. Section has no force or effect because Senate Bill No. 200 of the 1979–80 Regular Session of the Legislature was defeated by referendum vote June 8, 1982.*]

[*Appropriations of Water—Components of California Wild and Scenic Rivers System*]

SEC. 3. No water shall be available for appropriation by storage in, or by direct diversion from, any of the components of the California Wild and Scenic Rivers System, as such system exists on January 1, 1981, where such appropriation is for export of water into another major hydrologic basin of the State, as defined in the Department of Water Resources Bulletin 160-74, unless such export is expressly authorized prior to such appropriation by: (a) an initiative statute approved by the electors, or (b) the Legislature, by statute passed in each house by roll call vote entered in the journal, two-thirds of the membership concurring. [*New section adopted November 4, 1980. Section has no force or effect because Senate Bill No. 200 of the 1979–80 Regular Session of the Legislature was defeated by referendum vote June 8, 1982.*]

[*Statutes Amending, Repealing, or Adding to Delta Protection Act*]

SEC. 4. No statute amending or repealing, or adding to, the provisions of Part 4.5 (commencing with Section 12200) of Division 6 of the Water Code (the Delta Protection Act) shall become effective unless approved by the electors in the same manner as statutes amending initiative statutes are approved; except that the Legislature may, by statute passed in each house by roll call vote entered in the journal, two-thirds of the membership concurring, amend or repeal, or add to, these provisions if the statute does not in any manner reduce the protection of the delta or fish and wildlife. [*New section adopted November 4, 1980. Section has no force or effect because Senate Bill No. 200 of the 1979–80 Regular Session of the Legislature was defeated by referendum vote June 8, 1982.*]

[*Eminent Domain Proceedings to Acquire Water Rights or Contract Rights for Water or Water Quality Maintenance in Delta Prohibited*]

SEC. 5. No public agency may utilize eminent domain proceedings to acquire water rights, which are held for uses within the Sacramento-San Joaquin Delta as defined in Section 12220 of the Water Code, or any contract rights for water or water quality maintenance in the Delta for the purpose of exporting such water from the Delta. This provision shall not be construed to prohibit the utilization of eminent domain proceedings for the purpose of acquiring land or any other rights necessary for the construction of water facilities, including, but not limited

to, facilities authorized in Chapter 8 (commencing with Section 12930) of Part 6 of Division 6 of the Water Code. [*New section adopted November 4, 1980. Section has no force or effect because Senate Bill No. 200 of the 1979–80 Regular Session of the Legislature was defeated by referendum vote June 8, 1982.*]

[*Actions and Proceedings*]

SEC. 6. (a) The venue of any of the following actions or proceedings brought in a superior court shall be Sacramento County:

(1) An action or proceeding to attack, review, set aside, void, or annul any provision of the statute enacted by Senate Bill No. 200 † of the 1979–80 Regular Session of the Legislature.

(2) An action or proceeding to attack, review, set aside, void, or annul the determination made by the Director of Water Resources and the Director of Fish and Game pursuant to subdivision (a) of Section 11255 of the Water Code.

(3) An action or proceeding which would have the effect of attacking, reviewing, preventing, or substantially delaying the construction, operation, or maintenance of the peripheral canal unit described in subdivision (a) of Section 11255 of the Water Code.

(4) An action or proceeding to require the State Water Resources Development System to comply with subdivision (b) of Section 11460 of the Water Code.

(5) An action or proceeding to require the Department of Water Resources or its successor agency to comply with the permanent agreement specified in subdivision (a) of Section 11256 of the Water Code.

(6) An action or proceeding to require the Department of Water Resources or its successor agency to comply with the provisions of the contracts entered into pursuant to Section 11456 of the Water Code.

(b) An action or proceeding described in paragraph (1) of subdivision (a) shall be commenced within one year after the effective date of the statute enacted by Senate Bill No. 200 † of the 1979–80 Regular Session of the Legislature. Any other action or proceeding described in subdivision (a) shall be commenced within one year after the cause of action arises unless a shorter period is otherwise provided by statute.

(c) The superior court or a court of appeals shall give preference to the actions or proceedings described in this section over all civil actions or proceedings pending in the court. The superior court shall commence hearing any such action or proceeding within six months after the commencement of the action or proceeding, provided that any such hearing may be delayed by joint stipulation of the parties or at the discretion of the court for good cause shown. The provisions of this section shall supersede any provisions of law requiring courts to give preference to other civil actions or proceedings. The provisions of this subdivision may be enforced by mandamus.

† Chapter 632, Statutes of 1980.

(d) The Supreme Court shall, upon the request of any party, transfer to itself, before a decision in the court of appeal, any appeal or petition for extraordinary relief from an action or proceeding described in this section, unless the Supreme Court determines that the action or proceeding is unlikely to substantially affect (1) the construction, operation, or maintenance of the peripheral canal unit described in subdivision (a) of Section 11255 of the Water Code, (2) compliance with subdivision (b) of Section 11460 of the Water Code, (3) compliance with the permanent agreement specified in Section 11256 of the Water Code, or (4) compliance with the provisions of the contracts entered into pursuant to Section 11456 of the Water Code. The request for transfer shall receive preference on the Supreme Court's calendar. If the action or proceeding is transferred to the Supreme Court, the Supreme Court shall commence to hear the matter within six months of the transfer unless the parties by joint stipulation request additional time or the court, for good cause shown, grants additional time.

(e) The remedy prescribed by the court for an action or proceeding described in paragraph (4), (5), or (6) of subdivision (a) shall include, but need not be limited to, compliance with subdivision (b) of Section 11460 of the Water Code, the permanent agreement specified in Section 11256 of the Water Code, or the provisions of the contracts entered into pursuant to Section 11456 of the Water Code.

(f) The Board of Supervisors of the County of Sacramento may apply to the State Board of Control for actual costs imposed by the requirements of this section upon the county, and the State Board of Control shall pay such actual costs.

(g) Notwithstanding the provisions of this section, nothing in this Article shall be construed as prohibiting the Supreme Court from exercising the transfer authority contained in Article VI, Section 12 of the Constitution. [*New section adopted November 4, 1980. Section has no force or effect because Senate Bill No. 200 of the 1979-80 Regular Session of the Legislature was defeated by referendum vote June 8, 1982.*]

[*State Agencies' Exercise of Authorized Powers*]

SEC. 7. State agencies shall exercise their authorized powers in a manner consistent with the protections provided by this article. [*New section adopted November 4, 1980. Section has no force or effect because Senate Bill No. 200 of the 1979-80 Regular Session of the Legislature was defeated by referendum vote June 8, 1982.*]

[*Force or Effect of Article*]

SEC. 8. This article shall have no force or effect unless Senate Bill No. 200 † of the 1979-80 Regular Session of the Legislature is enacted and takes effect. [*New section adopted November 4, 1980. Section has no*

† Chapter 632, Statutes of 1980.

force or effect because Senate Bill No. 200 of the 1979–80 Regular Session of the Legislature was defeated by referendum vote June 8, 1982.]

ARTICLE X B *

MARINE RESOURCES PROTECTION ACT OF 1990

[Title]

SECTION 1. This article shall be known and may be cited as the Marine Resources Protection Act of 1990. [*New section adopted November 6, 1990. Initiative measure.*]

[Definitions]

SEC. 2. (a) “District” means a fish and game district as defined in the Fish and Game Code by statute on January 1, 1990.

(b) Except as specifically provided in this article, all references to Fish and Game Code sections, articles, chapters, parts, and divisions are defined as those statutes in effect on January 1, 1990.

(c) “Ocean waters” means the waters of the Pacific Ocean regulated by the State.

(d) “Zone” means the Marine Resources Protection zone established pursuant to this article. The zone consists of the following:

(1) In waters less than 70 fathoms or within one mile, whichever is less, around the Channel Islands consisting of the Islands of San Miguel, Santa Rosa, Santa Cruz, Anacapa, San Nicolaus, Santa Barbara, Santa Catalina, and San Clemente.

(2) The area within three nautical miles offshore of the mainland coast, and the area within three nautical miles off any manmade breakwater, between a line extending due west from Point Arguello and a line extending due west from the Mexican border.

(3) In waters less than 35 fathoms between a line running 180 degrees true from Point Fermin and a line running 270 degrees true from the south jetty of Newport Harbor. [*New section adopted November 6, 1990. Initiative measure.*]

[Gill and Trammel Nets—Usage]

SEC. 3. (a) From January 1, 1991, to December 31, 1993, inclusive, gill nets or trammel nets may only be used in the zone pursuant to a nontransferable permit issued by the Department of Fish and Game pursuant to Section 5.

(b) On and after January 1, 1994, gill nets and trammel nets shall not be used in the zone. [*New section adopted November 6, 1990. Initiative measure.*]

* New Article X B adopted November 6, 1990. Initiative measure.

[Gill and Trammel Nets—Usage]

SEC. 4. (a) Notwithstanding any other provision of law, gill nets and trammel nets may not be used to take any species of rockfish.

(b) In ocean waters north of Point Arguello on and after the effective date of this article, the use of gill nets and trammel nets shall be regulated by the provisions of Article 4 (commencing with Section 8660), Article 5 (commencing with Section 8680) and Article 6 (commencing with Section 8720) of Chapter 3 of Part 3 of Division 6 of the Fish and Game Code, or any regulation or order issued pursuant to these articles, in effect on January 1, 1990, except that as to Sections 8680, 8681, 8681.7, and 8682, and subdivisions (a) through (f), inclusive of Section 8681.5 of the Fish and Game Code, or any regulation or order issued pursuant to these sections, the provisions in effect on January 1, 1989, shall control where not in conflict with other provisions of this article, and shall be applicable to all ocean waters. Notwithstanding the provisions of this section, the Legislature shall not be precluded from imposing more restrictions on the use and/or possession of gill nets or trammel nets. The Director of the Department of Fish and Game shall not authorize the use of gill nets or trammel nets in any area where the use is not permitted even if the director makes specified findings. *[New section adopted November 6, 1990. Initiative measure.]*

[Gill and Trammel Nets—Usage]

SEC. 5. The Department of Fish and Game shall issue a permit to use a gill net or trammel net in the zone for the period specified in subdivision (a) of Section 3 to any applicant who meets both of the following requirements:

(a) Has a commercial fishing license issued pursuant to Sections 7850–7852.3 of the Fish and Game Code.

(b) Has a permit issued pursuant to Section 8681 of the Fish and Game Code and is presently the owner or operator of a vessel equipped with a gill net or trammel net. *[New section adopted November 6, 1990. Initiative measure.]*

[Permit Fees]

SEC. 6. The Department of Fish and Game shall charge the following fees for permits issued pursuant to Section 5 pursuant to the following schedule:

Calendar Year	Fee
1991	\$250
1992	500
1993	1,000

[New section adopted November 6, 1990. Initiative measure.]

[Permitholder's Compensation for Discontinuing Fishing with Gill and Trammel Nets]

SEC. 7. (a) Within 90 days after the effective date of this section, every person who intends to seek the compensation provided in subdivision (b) shall notify the Department of Fish and Game, on forms provided by the department, of that intent. Any person who does not submit the form within that 90-day period shall not be compensated pursuant to subdivision (b). The department shall publish a list of all persons submitting the form within 120 days after the effective date of this section.

(b) After July 1, 1993, and before January 1, 1994, any person who holds a permit issued pursuant to Section 5 and operates in the zone may surrender that permit to the department and agree to permanently discontinue fishing with gill or trammel nets in the zone, for which he or she shall receive, beginning on July 1, 1993, a one time compensation which shall be based upon the average annual ex vessel value of the fish other than any species of rockfish landed by a fisherman, which were taken pursuant to a valid general gill net or trammel net permit issued pursuant to Sections 8681 and 8682 of the Fish and Game Code within the zone during the years 1983 to 1987, inclusive. The department shall verify those landings by reviewing logs and landing receipts submitted to it. Any person who is denied compensation by the department as a result of the department's failure to verify landings may appeal that decision to the Fish and Game Commission.

(c) The State Board of Control shall, prior to the disbursement of any funds, verify the eligibility of each person seeking compensation and the amount of the compensation to be provided in order to ensure compliance with this section.

(d) Unless the Legislature enacts any required enabling legislation to implement this section on or before July 1, 1993, no compensation shall be paid under this article. *[New section adopted November 6, 1990. Initiative measure.]*

[Marine Resources Protection Account—Fees—Interest]

SEC. 8. (a) There is hereby created the Marine Resources Protection Account in the Fish and Game Preservation Fund. On and after January 1, 1991, the Department of Fish and Game shall collect any and all fees required by this article. All fees received by the department pursuant to this article shall be deposited in the account and shall be expended or encumbered to compensate persons who surrender permits pursuant to Section 7 or to provide for administration of this article. All funds received by the department during any fiscal year pursuant to this article which are not expended during that fiscal year to compensate persons as set forth in Section 7 or to provide for administration of this article shall be carried over into the following fiscal year and shall be used only for those purposes. All interest accrued from the department's retention of fees received pursuant to this article shall be

credited to the account. The accrued interest may only be expended for the purposes authorized by this article. The account shall continue in existence, and the requirement to pay fees under this article shall remain in effect, until the compensation provided in Section 7 has been fully funded or until January 1, 1995, whichever occurs first.

(b) An amount, not to exceed 15 percent of the total annual revenues deposited in the account excluding any interest accrued or any funds carried over from a prior fiscal year may be expended for the administration of this article.

(c) In addition to a valid California sportfishing license issued pursuant to Sections 7149, 7149.1 or 7149.2 of the Fish and Game Code and any applicable sport license stamp issued pursuant to the Fish and Game Code, a person taking fish from ocean waters south of a line extending due west from Point Arguello for sport purposes shall have permanently affixed to that person's sportfishing license a marine resources protection stamp which may be obtained from the department upon payment of a fee of three dollars (\$3). This subdivision does not apply to any one-day fishing license.

(d) In addition to a valid California commercial passenger fishing boat license required by Section 7920 of the Fish and Game Code, the owner of any boat or vessel who, for profit, permits any person to fish from the boat or vessel in ocean waters south of a line extending due west from Point Arguello, shall obtain and permanently affix to the license a commercial marine resources protection stamp which may be obtained from the department upon payment of a fee of three dollars (\$3).

(e) The department may accept contributions or donations from any person who wishes to donate money to be used for the compensation of commercial gill net and trammel net fishermen who surrender permits under this article.

(f) This section shall become inoperative on January 1, 1995. [*New section adopted November 6, 1990. Inoperative January 1, 1995. Initiative measure.*]

[*Marine Resources Protection Account—Grants*]

SEC. 9. Any funds remaining in the Marine Resources Protection Account in the Fish and Game Preservation Fund on or after January 1, 1995, shall, with the approval of the Fish and Game Commission, be used to provide grants to colleges, universities and other bonafide scientific research groups to fund marine resource related scientific research within the ecological reserves established by Section 14 of this act. [*New section adopted November 6, 1990. Initiative measure.*]

[*Report to Legislature*]

SEC. 10. On or before December 31 of each year, the Director of Fish and Game shall prepare and submit a report to the Legislature re-

garding the implementation of this article including an accounting of all funds. [*New section adopted November 6, 1990. Initiative measure.*]

[*Violations*]

SEC. 11. It is unlawful for any person to take, possess, receive, transport, purchase, sell, barter, or process any fish obtained in violation of this article. [*New section adopted November 6, 1990. Initiative measure.*]

[*Commercial Fishing Daily Landings Monitoring and Evaluating Program*]

SEC. 12. To increase the State's scientific and biological information on the ocean fisheries of this State, the Department of Fish and Game shall establish a program whereby it can monitor and evaluate the daily landings of fish by commercial fishermen who are permitted under this article to take these fish. The cost of implementing this monitoring program shall be borne by the commercial fishing industry. [*New section adopted November 6, 1990. Initiative measure.*]

[*Penalties for Violations—Probation—Fine*]

SEC. 13. (a) The penalty for a first violation of the provisions of Sections 3 and 4 of this article is a fine of not less than one thousand dollars (\$1,000) and not more than five thousand dollars (\$5,000) and a mandatory suspension of any license, permit or stamp to take, receive, transport, purchase, sell, barter or process fish for commercial purposes for six months. The penalty for a second or subsequent violation of the provisions of Sections 3 and 4 of this article is a fine of not less than two thousand five hundred dollars (\$2,500) and not more than ten thousand dollars (\$10,000) and a mandatory suspension of any license, permit or stamp to take, receive, transport, purchase, sell, barter, or process fish for commercial purposes for one year.

(b) Notwithstanding any other provisions of law, a violation of Section 8 of this article shall be deemed a violation of the provisions of Section 7145 of the Fish and Game Code and the penalty for such violation shall be consistent with the provisions of Section 12002.2 of said code.

(c) If a person convicted of a violation of Section 3, 4, or 8 of this article is granted probation, the court shall impose as a term or condition of probation, in addition to any other term or condition of probation, that the person pay at least the minimum fine prescribed in this section. [*New section adopted November 6, 1990. Initiative measure.*]

[*New Ecological Reserves*]

SEC. 14. Prior to January 1, 1994, the Fish and Game Commission shall establish four new ecological reserves in ocean waters along the mainland coast. Each ecological reserve shall have a surface area of at least two square miles. The commission shall restrict the use of these ecological reserves to scientific research relating to the management and enhancement of marine resources. [*New section adopted November 6, 1990. Initiative measure.*]

[*Article not Preempting or Superseding Other Protective Closures*]

SEC. 15. This article does not preempt or supersede any other closures to protect any other wildlife, including sea otters, whales, and shorebirds. [*New section adopted November 6, 1990. Initiative measure.*]

[*Severability*]

SEC. 16. If any provision of this article or the application thereof to any person or circumstances is held invalid, that invalidity shall not affect other provisions or applications of this article which can be given effect without the invalid provision or application, and to this end the provisions of this article are severable. [*New section adopted November 6, 1990. Initiative measure.*]

ARTICLE XI. [*Repealed June 2, 1970. See Article XI, below.*]

ARTICLE XI *

LOCAL GOVERNMENT

[*Counties—Formation, Boundaries, County Seat, Officers, and Governing Body*]

SEC. 1. (a) The State is divided into counties which are legal subdivisions of the State. The Legislature shall prescribe uniform procedure for county formation, consolidation, and boundary change. Formation or consolidation requires approval by a majority of electors voting on the question in each affected county. A boundary change requires approval by the governing body of each affected county. No county seat shall be removed unless two-thirds of the qualified electors of the county, voting on the proposition at a general election, shall vote in favor of such removal. A proposition of removal shall not be submitted in the same county more than once in four years.

(b) The Legislature shall provide for county powers, an elected county sheriff, an elected district attorney, an elected assessor, and an elected governing body in each county. Except as provided in subdivision (b) of Section 4 of this article, each governing body shall prescribe by ordinance the compensation of its members, but the ordinance prescribing such compensation shall be subject to referendum. The Legislature or the governing body may provide for other officers whose compensation shall be prescribed by the governing body. The governing body shall provide for the number, compensation, tenure, and appointment of employees. [*As amended June 7, 1988.*]

* New Article XI adopted June 2, 1970.

SEC. 2. [*Repealed June 2, 1970. See Section 2, below.*][*Cities—Formation, Powers*]

SEC. 2. (a) The Legislature shall prescribe uniform procedure for city formation and provide for city powers.

(b) Except with approval by a majority of its electors voting on the question, a city may not be annexed to or consolidated into another. [*New section adopted June 2, 1970.*]

[*County or City—Charters*]

SEC. 3. (a) For its own government, a county or city may adopt a charter by majority vote of its electors voting on the question. The charter is effective when filed with the Secretary of State. A charter may be amended, revised, or repealed in the same manner. A charter, amendment, revision, or repeal thereof shall be published in the official state statutes. County charters adopted pursuant to this section shall supersede any existing charter and all laws inconsistent therewith. The provisions of a charter are the law of the State and have the force and effect of legislative enactments.

(b) The governing body or charter commission of a county or city may propose a charter or revision. Amendment or repeal may be proposed by initiative or by the governing body.

(c) An election to determine whether to draft or revise a charter and elect a charter commission may be required by initiative or by the governing body.

(d) If provisions of 2 or more measures approved at the same election conflict, those of the measure receiving the highest affirmative vote shall prevail. [*As amended November 5, 1974.*]

[*County Charters—Provisions*]

SEC. 4. County charters shall provide for:

(a) A governing body of 5 or more members, elected (1) by district or, (2) at large, or (3) at large, with a requirement that they reside in a district. Charter counties are subject to statutes that relate to apportioning population of governing body districts.

(b) The compensation, terms, and removal of members of the governing body. If a county charter provides for the Legislature to prescribe the salary of the governing body, such compensation shall be prescribed by the governing body by ordinance.

(c) An elected sheriff, an elected district attorney, an elected assessor, other officers, their election or appointment, compensation, terms and removal.

(d) The performance of functions required by statute.

(e) The powers and duties of governing bodies and all other county officers, and for consolidation and segregation of county officers, and for the manner of filling all vacancies occurring therein.

(f) The fixing and regulation by governing bodies, by ordinance, of the appointment and number of assistants, deputies, clerks, attachés,

and other persons to be employed, and for the prescribing and regulating by such bodies of the powers, duties, qualifications, and compensation of such persons, the times at which, and terms for which they shall be appointed, and the manner of their appointment and removal.

(g) Whenever any county has framed and adopted a charter, and the same shall have been approved by the Legislature as herein provided, the general laws adopted by the Legislature in pursuance of Section 1 (b) of this article, shall, as to such county, be superseded by said charter as to matters for which, under this section it is competent to make provision in such charter, and for which provision is made therein, except as herein otherwise expressly provided.

(h) Charter counties shall have all the powers that are provided by this Constitution or by statute for counties. [*As amended June 7, 1988.*]

SEC. 5. [*Repealed June 2, 1970. See Section 5, below.*]

[*City Charters—Provisions*]

SEC. 5. (a) It shall be competent in any city charter to provide that the city governed thereunder may make and enforce all ordinances and regulations in respect to municipal affairs, subject only to restrictions and limitations provided in their several charters and in respect to other matters they shall be subject to general laws. City charters adopted pursuant to this Constitution shall supersede any existing charter, and with respect to municipal affairs shall supersede all laws inconsistent therewith.

(b) It shall be competent in all city charters to provide, in addition to those provisions allowable by this Constitution, and by the laws of the State for: (1) the constitution, regulation, and government of the city police force (2) subgovernment in all or part of a city (3) conduct of city elections and (4) plenary authority is hereby granted, subject only to the restrictions of this article, to provide therein or by amendment thereto, the manner in which, the method by which, the times at which, and the terms for which the several municipal officers and employees whose compensation is paid by the city shall be elected or appointed, and for their removal, and for their compensation, and for the number of deputies, clerks and other employees that each shall have, and for the compensation, method of appointment, qualifications, tenure of office and removal of such deputies, clerks and other employees. [*New section adopted June 2, 1970.*]

SEC. 5.1. [*Repealed June 2, 1970.*]

SEC. 6. [*Repealed June 2, 1970. See Section 6, below.*]

[*Charter City and County*]

SEC. 6. (a) A county and all cities within it may consolidate as a charter city and county as provided by statute.

(b) A charter city and county is a charter city and a charter county. Its charter city powers supersede conflicting charter county powers. [*New section adopted June 2, 1970.*]

SEC. 7. [Repealed June 2, 1970. See Section 7, below.]

[Local Ordinances and Regulations]

SEC. 7. A county or city may make and enforce within its limits all local, police, sanitary, and other ordinances and regulations not in conflict with general laws. [New section adopted June 2, 1970.]

SEC. 7½. [Repealed June 2, 1970.]

SEC. 7½b. [Repealed June 2, 1970.]

SEC. 8. [Repealed June 2, 1970. See Section 8, below.]

[Counties—Performance of Municipal Functions]

SEC. 8. (a) The Legislature may provide that counties perform municipal functions at the request of cities within them.

(b) If provided by their respective charters, a county may agree with a city within it to assume and discharge specified municipal functions. [New section adopted June 2, 1970.]

SEC. 8½. [Repealed June 2, 1970.]

[Local Utilities]

SEC. 9. (a) A municipal corporation may establish, purchase, and operate public works to furnish its inhabitants with light, water, power, heat, transportation, or means of communication. It may furnish those services outside its boundaries, except within another municipal corporation which furnishes the same service and does not consent.

(b) Persons or corporations may establish and operate works for supplying those services upon conditions and under regulations that the city may prescribe under its organic law. [New section adopted June 2, 1970.]

[Local Government—Extra Compensation; City, County or District Employees—Residency]

SEC. 10. (a) A local government body may not grant extra compensation or extra allowance to a public officer, public employee, or contractor after service has been rendered or a contract has been entered into and performed in whole or in part, or pay a claim under an agreement made without authority of law.

(b) A city or county, including any chartered city or chartered county, or public district, may not require that its employees be residents of such city, county, or district; except that such employees may be required to reside within a reasonable and specific distance of their place of employment or other designated location. [As amended June 8, 1976.]

SEC. 10.5. [Repealed June 8, 1976.]

[Private Control of County or Municipal Functions—Deposit and Investment of Public Moneys]

SEC. 11. (a) The Legislature may not delegate to a private person or body power to make, control, appropriate, supervise, or interfere with county or municipal corporation improvements, money, or property, or to levy taxes or assessments, or perform municipal functions.

(b) The Legislature may, however, provide for the deposit of public moneys in any bank in this State or in any savings and loan association in this State or any credit union in this State or in any federally insured industrial loan company in this State and for payment of interest, principal, and redemption premiums of public bonds and other evidence of public indebtedness by banks within or without this State. It may also provide for investment of public moneys in securities and the registration of bonds and other evidences of indebtedness by private persons or bodies, within or without this State, acting as trustees or fiscal agents. *[As amended November 8, 1988.]*

SEC. 12. *[As amended June 27, 1933, added to Article XIII as Section 37, June 2, 1970. See Section 12, below.]*

[Claims Against Counties or Cities, Etc.]

SEC. 12. The Legislature may prescribe procedure for presentation, consideration, and enforcement of claims against counties, cities, their officers, agents, or employees. *[New section adopted June 2, 1970.]*

SEC. 13. *[Repealed June 2, 1970. See Section 13, below.]*

[Distribution of Powers—Construction of Article]

SEC. 13. The provisions of Sections 1 (b) (except for the second sentence), 3 (a), 4, and 5 of this Article relating to matters affecting the distribution of powers between the Legislature and cities and counties, including matters affecting supersession, shall be construed as a restatement of all related provisions of the Constitution in effect immediately prior to the effective date of this amendment, and as making no substantive change.

The terms general law, general laws, and laws, as used in this Article, shall be construed as a continuation and restatement of those terms as used in the Constitution in effect immediately prior to the effective date of this amendment, and not as effecting a change in meaning. *[New section adopted June 2, 1970.]*

SEC. 13½. *[As amended November 3, 1914, added to Article XIII as Section 37.5, June 2, 1970.]*

[Local Government—Taxation]

SEC. 14. A local government formed after the effective date of this section, the boundaries of which include all or part of two or more counties, shall not levy a property tax unless such tax has been ap-

proved by a majority vote of the qualified voters of that local government voting on the issue of the tax. [*New section adopted November 2, 1976.*]

[*Vehicle License Fee Allocations*]

SEC. 15. (a) All revenues from taxes imposed pursuant to the Vehicle License Fee Law, or its successor, other than fees on trailer coaches and mobilehomes, over and above the costs of collection and any refunds authorized by law, shall be allocated to counties and cities according to statute.

(b) This section shall apply to those taxes imposed pursuant to that law on and after July 1 following the approval of this section by the voters. [*New section adopted June 3, 1986.*]

SEC. 16. [*Added to Article XIII as Section 38, June 2, 1970.*]

SEC. 16½. [*As amended November 8, 1932, added to Article XIII as Section 39, June 2, 1970.*]

SEC. 17. [*Repealed June 2, 1970.*]

SEC. 18. [*As amended November 8, 1949, added to Article XIII as Section 40, June 2, 1970.*]

SEC. 18¼. [*Repealed June 2, 1970.*]

SEC. 19. [*Repealed June 2, 1970.*]

SEC. 20. [*Repealed June 2, 1970.*]

ARTICLE XII. [*Repealed November 5, 1974. See Article XII, below.*]

ARTICLE XII *

PUBLIC UTILITIES

[*Public Utilities Commission—Composition*]

SECTION 1. The Public Utilities Commission consists of 5 members appointed by the Governor and approved by the Senate, a majority of the membership concurring, for staggered 6-year terms. A vacancy is filled for the remainder of the term. The Legislature may remove a member for incompetence, neglect of duty, or corruption, two thirds of the membership of each house concurring. [*New section adopted November 5, 1974.*]

[*Public Utilities Commission—Powers and Duties*]

SEC. 2. Subject to statute and due process, the commission may establish its own procedures. Any commissioner as designated by the

* New Article XII adopted November 5, 1974.

commission may hold a hearing or investigation or issue an order subject to commission approval. [*New section adopted November 5, 1974.*]

[Public Utilities—Legislative Control]

SEC. 3. Private corporations and persons that own, operate, control, or manage a line, plant, or system for the transportation of people or property, the transmission of telephone and telegraph messages, or the production, generation, transmission, or furnishing of heat, light, water, power, storage, or wharfage directly or indirectly to or for the public, and common carriers, are public utilities subject to control by the Legislature. The Legislature may prescribe that additional classes of private corporations or other persons are public utilities. [*New section adopted November 5, 1974.*]

[Rates—Discrimination in Transportation Charges, Etc.]

SEC. 4. The commission may fix rates and establish rules for the transportation of passengers and property by transportation companies, prohibit discrimination, and award reparation for the exaction of unreasonable, excessive, or discriminatory charges. A transportation company may not raise a rate or incidental charge except after a showing to and a decision by the commission that the increase is justified, and this decision shall not be subject to judicial review except as to whether confiscation of property will result. [*New section adopted November 5, 1974.*]

[Public Utilities Commission—Compensation in Eminent Domain Proceedings]

SEC. 5. The Legislature has plenary power, unlimited by the other provisions of this constitution but consistent with this article, to confer additional authority and jurisdiction upon the commission, to establish the manner and scope of review of commission action in a court of record, and to enable it to fix just compensation for utility property taken by eminent domain. [*New section adopted November 5, 1974.*]

[Public Utilities Commission—Powers and Duties]

SEC. 6. The commission may fix rates, establish rules, examine records, issue subpoenas, administer oaths, take testimony, punish for contempt, and prescribe a uniform system of accounts for all public utilities subject to its jurisdiction. [*New section adopted November 5, 1974.*]

[Free Passes, Public Officials—Conflict of Interest, Public Utilities Commissioner]

SEC. 7. A transportation company may not grant free passes or discounts to anyone holding an office in this State; and the acceptance of a pass or discount by a public officer, other than a Public Utilities Commissioner, shall work a forfeiture of that office. A Public Utilities Commissioner may not hold an official relation to nor have a financial in-

terest in a person or corporation subject to regulation by the commission. [*New section adopted November 5, 1974.*]

[*Public Utilities—Regulation*]

SEC. 8. A city, county, or other public body may not regulate matters over which the Legislature grants regulatory power to the Commission. This section does not affect power over public utilities relating to the making and enforcement of police, sanitary, and other regulations concerning municipal affairs pursuant to a city charter existing on October 10, 1911, unless that power has been revoked by the city's electors, or the right of any city to grant franchises for public utilities or other businesses on terms, conditions, and in the manner prescribed by law. [*New section adopted November 5, 1974.*]

[*Restatement*]

SEC. 9. The provisions of this article restate all related provisions of the Constitution in effect immediately prior to the effective date of this amendment and make no substantive change. [*New section adopted November 5, 1974.*]

SEC. 10. [*Repealed November 5, 1974.*]

SEC. 17. [*Repealed November 5, 1974.*]

SEC. 18. [*Repealed November 5, 1974.*]

SEC. 19. [*Repealed November 5, 1974.*]

SEC. 20. [*Repealed November 5, 1974.*]

SEC. 21. [*Repealed November 5, 1974.*]

SEC. 22. [*Repealed November 5, 1974.*]

SEC. 23. [*Repealed November 5, 1974.*]

SEC. 23a. [*Repealed November 5, 1974.*]

ARTICLE XIII. [*Repealed November 5, 1974. See Article XIII, below.*]

ARTICLE XIII *

TAXATION

SECTION 1. [*Repealed November 5, 1974. See Section 1, below.*]

[*Uniformity Clause*]

SEC. 1. Unless otherwise provided by this Constitution or the laws of the United States:

(a) All property is taxable and shall be assessed at the same percentage of fair market value. When a value standard other than fair market

* New Article XIII adopted November 5, 1974.

value is prescribed by this Constitution or by statute authorized by this Constitution, the same percentage shall be applied to determine the assessed value. The value to which the percentage is applied, whether it be the fair market value or not, shall be known for property tax purposes as the full value.

(b) All property so assessed shall be taxed in proportion to its full value. [*New section adopted November 5, 1974.*]

SEC. 1a. [*Repealed November 5, 1974.*]

SEC. 1b. [*Repealed November 5, 1974.*]

SEC. 1c. [*Repealed November 5, 1974.*]

SEC. 1d. [*Repealed November 5, 1974.*]

SEC. 1¼. [*Repealed November 5, 1974.*]

SEC. 1¼a. [*Repealed November 5, 1974.*]

SEC. 1¼b. [*Repealed November 5, 1974.*]

SEC. 1½. [*Repealed November 5, 1974.*]

SEC. 1½a. [*Repealed November 5, 1974.*]

SEC. 1.60. [*Repealed November 5, 1974.*]

SEC. 1.61. [*Repealed November 5, 1974.*]

SEC. 1.62. [*Repealed November 5, 1974.*]

SEC. 1.63. [*Repealed November 5, 1974.*]

SEC. 1.64. [*Repealed November 5, 1974.*]

SEC. 1.65. [*Repealed November 5, 1974.*]

SEC. 1.66. [*Repealed November 5, 1974.*]

SEC. 1.67. [*Repealed November 5, 1974.*]

SEC. 1.68. [*Repealed November 5, 1974.*]

SEC. 1.69. [*Repealed November 5, 1974.*]

SEC. 1¾. [*Repealed November 5, 1974.*]

SEC. 2. [*Repealed November 5, 1974. See Section 2, below.*]

[*Personal Property Classification*]

SEC. 2. The Legislature may provide for property taxation of all forms of tangible personal property, shares of capital stock, evidences of indebtedness, and any legal or equitable interest therein not exempt under any other provision of this article. The Legislature, two-thirds of the membership of each house concurring, may classify such personal property for differential taxation or for exemption. The tax on any interest in notes, debentures, shares of capital stock, bonds, solvent credits, deeds of trust, or mortgages shall not exceed four-tenths of one percent of full value, and the tax per dollar of full value shall not be higher on personal property than on real property in the same taxing jurisdiction. [*New section adopted November 5, 1974.*]

SEC. 2.5. [*Repealed November 5, 1974.*]

SEC. 2.6. [*Repealed November 5, 1974.*]

SEC. 2.8. [*Repealed November 5, 1974.*][*Property Tax Exemptions*]

SEC. 3. The following are exempt from property taxation:

[*State Owned Property*]

(a) Property owned by the State.

[*Local Government Property*]

(b) Property owned by a local government, except as otherwise provided in Section 11 (a).

[*Government Bonds*]

(c) Bonds issued by the State or a local government in the State.

[*Public Property*]

(d) Property used for libraries and museums that are free and open to the public and property used exclusively for public schools, community colleges, state colleges, and state universities.

[*Educational Property*]

(e) Buildings, land, equipment, and securities used exclusively for educational purposes by a nonprofit institution of higher education.

[*Church Property*]

(f) Buildings, land on which they are situated, and equipment used exclusively for religious worship.

[*Cemetery Property*]

(g) Property used or held exclusively for the permanent deposit of human dead or for the care and maintenance of the property or the dead, except when used or held for profit. This property is also exempt from special assessment.

[*Growing Crops*]

(h) Growing crops.

[*Fruit and Nut Trees*]

(i) Fruit and nut trees until 4 years after the season in which they were planted in orchard form and grape vines until 3 years after the season in which they were planted in vineyard form.

[*Timber Exemption*]

(j) Immature forest trees planted on lands not previously bearing merchantable timber or planted or of natural growth on lands from

which the merchantable original growth timber stand to the extent of 70 percent of all trees over 16 inches in diameter has been removed. Forest trees or timber shall be considered mature at such time after 40 years from the time of planting or removal of the original timber when so declared by a majority vote of a board consisting of a representative from the State Board of Forestry, a representative from the State Board of Equalization, and the assessor of the county in which the trees are located.

The Legislature may supersede the foregoing provisions with an alternative system or systems of taxing or exempting forest trees or timber, including a taxation system not based on property valuation. Any alternative system or systems shall provide for exemption of unharvested immature trees, shall encourage the continued use of timberlands for the production of trees for timber products, and shall provide for restricting the use of timberland to the production of timber products and compatible uses with provisions for taxation of timberland based on the restrictions. Nothing in this paragraph shall be construed to exclude timberland from the provisions of Section 8 of this article.

[Homeowners' Exemption]

(k) \$7,000 of the full value of a dwelling, as defined by the Legislature, when occupied by an owner as his principal residence, unless the dwelling is receiving another real property exemption. The Legislature may increase this exemption and may deny it if the owner received state or local aid to pay taxes either in whole or in part, and either directly or indirectly, on the dwelling.

No increase in this exemption above the amount of \$7,000 shall be effective for any fiscal year unless the Legislature increases the rate of state taxes in an amount sufficient to provide the subventions required by Section 25.

If the Legislature increases the homeowners' property tax exemption, it shall provide increases in benefits to qualified renters, as defined by law, comparable to the average increase in benefits to homeowners, as calculated by the Legislature.

[Vessels]

(l) Vessels of more than 50 tons burden in this State and engaged in the transportation of freight or passengers.

[Household Furnishings—Personal Effects]

(m) Household furnishings and personal effects not held or used in connection with a trade, profession, or business.

[Debt Secured by Land]

(n) Any debt secured by land.

[Veterans' Exemptions]

- (o) Property in the amount of \$1,000 of a claimant who—
- (1) is serving in or has served in and has been discharged under honorable conditions from service in the United States Army, Navy, Air Force, Marine Corps, Coast Guard, or Revenue Marine (Revenue Cutter) Service; and—
 - (2) served either
 - (i) in time of war, or
 - (ii) in time of peace in a campaign or expedition for which a medal has been issued by Congress, or
 - (iii) in time of peace and because of a service-connected disability was released from active duty; and—
 - (3) resides in the State on the current lien date.

An unmarried person who owns property valued at \$5,000 or more, or a married person, who, together with the spouse, owns property valued at \$10,000 or more, is ineligible for this exemption.

If the claimant is married and does not own property eligible for the full amount of the exemption, property of the spouse shall be eligible for the unused balance of the exemption.

[Veterans' Exemptions]

- (p) Property in the amount of \$1,000 of a claimant who—
- (1) is the unmarried spouse of a deceased veteran who met the service requirement stated in paragraphs (1) and (2) of subsection 3(o), and
 - (2) does not own property in excess of \$10,000, and
 - (3) is a resident of the State on the current lien date.

[Veterans' Exemptions]

- (q) Property in the amount of \$1,000 of a claimant who—
- (1) is the parent of a deceased veteran who met the service requirement stated in paragraphs (1) and (2) of subsection 3(o), and
 - (2) receives a pension because of the veteran's service, and
 - (3) is a resident of the State on the current lien date.

Either parent of a deceased veteran may claim this exemption.

An unmarried person who owns property valued at \$5,000 or more, or a married person, who, together with the spouse, owns property valued at \$10,000 or more, is ineligible for this exemption.

[Veterans' Exemptions]

(r) No individual residing in the State on the effective date of this amendment who would have been eligible for the exemption provided by the previous section 1¼ of this article had it not been repealed shall lose eligibility for the exemption as a result of this amendment. [*As amended November 8, 1988.*]

[Veterans' Exemptions—Change in Assessment Ratio—Adjustment]

SEC. 3.5. In any year in which the assessment ratio is changed, the Legislature shall adjust the valuation of assessable property described in subdivisions (o), (p) and (q) of Section 3 of this article to maintain the same proportionate values of such property. *[New section adopted November 6, 1979.]*

[Property Tax Exemption]

SEC. 4. The Legislature may exempt from property taxation in whole or in part:

[Home of Veteran or Surviving Spouse]

(a) The home of a person or a person's spouse, including an unmarried surviving spouse, if the person, because of injury incurred in military service, is blind in both eyes, has lost the use of 2 or more limbs, or is totally disabled, or if the person has, as a result of a service-connected injury or disease, died while on active duty in military service, unless the home is receiving another real property exemption.

[Religious, Hospital and Charitable Property]

(b) Property used exclusively for religious, hospital, or charitable purposes and owned or held in trust by corporations or other entities (1) that are organized and operating for those purposes, (2) that are nonprofit, and (3) no part of whose net earnings inures to the benefit of any private shareholder or individual.

[Specific College Exemptions]

(c) Property owned by the California School of Mechanical Arts, California Academy of Sciences, or Cogswell Polytechnical College, or held in trust for the Huntington Library and Art Gallery, or their successors.

[Church Parking Lots]

(d) Real property not used for commercial purposes that is reasonably and necessarily required for parking vehicles of persons worshipping on land exempt by Section 3(f). *[As amended November 3, 1992.]*

[Exemption of Buildings Under Construction]

SEC. 5. Exemptions granted or authorized by Sections 3(e), 3(f), and 4(b) apply to buildings under construction, land required for their convenient use, and equipment in them if the intended use would qualify the property for exemption. *[New section adopted November 5, 1974.]*

SEC. 6. [*Repealed November 5, 1974. See Section 6, below.*]

[*Exemption Waivers*]

SEC. 6. The failure in any year to claim, in a manner required by the laws in effect at the time the claim is required to be made, an exemption or classification which reduces a property tax shall be deemed a waiver of the exemption or classification for that year. [*New section adopted November 5, 1974.*]

SEC. 7. [*Repealed November 5, 1974. See Section 7, below.*]

[*Real Property Taxes—Exemption by County Boards of Supervisors*]

SEC. 7. The Legislature, two-thirds of the membership of each house concurring, may authorize county boards of supervisors to exempt real property having a full value so low that, if not exempt, the total taxes and applicable subventions on the property would amount to less than the cost of assessing and collecting them. [*New section adopted November 5, 1974.*]

[*Open Space Land and Historical Property—Exemption*]

SEC. 8. To promote the conservation, preservation and continued existence of open space lands, the Legislature may define open space land and shall provide that when this land is enforceably restricted, in a manner specified by the Legislature, to recreation, enjoyment of scenic beauty, use or conservation of natural resources, or production of food or fiber, it shall be valued for property tax purposes only on a basis that is consistent with its restrictions and uses.

To promote the preservation of property of historical significance, the Legislature may define such property and shall provide that when it is enforceably restricted, in a manner specified by the Legislature, it shall be valued for property tax purposes only on a basis that is consistent with its restrictions and uses. [*As amended June 8, 1976.*]

[*Postponement of Property Taxes*]

SEC. 8.5. The Legislature may provide by law for the manner in which a person of low or moderate income who is 62 years of age or older may postpone ad valorem property taxes on the dwelling owned and occupied by him or her as his or her principal place of residence. The Legislature may also provide by law for the manner in which a disabled person may postpone payment of ad valorem property taxes on the dwelling owned and occupied by him or her as his or her principal place of residence. The Legislature shall have plenary power to define all terms in this section.

The Legislature shall provide by law for subventions to counties, cities and counties, cities and districts in an amount equal to the amount of revenue lost by each by reason of the postponement of taxes and for the reimbursement to the State of subventions from the payment of postponed taxes. Provision shall be made for the inclusion of reimburse-

ment for the payment of interest on, and any costs to the State incurred in connection with, the subventions. [*As amended November 6, 1984.*]

SEC. 9. [*Repealed November 5, 1974. See Section 9, below.*]

[*Valuation of Certain Homes*]

SEC. 9. The Legislature may provide for the assessment for taxation only on the basis of use of a single-family dwelling, as defined by the Legislature, and so much of the land as is required for its convenient use and occupation, when the dwelling is occupied by an owner and located on land zoned exclusively for single-family dwellings or for agricultural purposes. [*New section adopted November 5, 1974.*]

SEC. 9a. [*Repealed November 5, 1974.*]

SEC. 9.5. [*Repealed November 5, 1974.*]

SEC. 10. [*Repealed November 5, 1974. See Section 10, below.*]

[*Golf Course Values*]

SEC. 10. Real property in a parcel of 10 or more acres which, on the lien date and for 2 or more years immediately preceding, has been used exclusively for nonprofit golf course purposes shall be assessed for taxation on the basis of such use, plus any value attributable to mines, quarries, hydrocarbon substances, or other minerals in the property or the right to extract hydrocarbons or other minerals from the property. [*New section adopted November 5, 1974.*]

SEC. 10½. [*Repealed November 5, 1974.*]

SEC. 11. [*Repealed November 5, 1974. See Section 11, below.*]

[*Taxation of Local Government Real Property*]

SEC. 11. (a) Lands owned by a local government that are outside its boundaries, including rights to use or divert water from surface or underground sources and any other interests in lands, are taxable if (1) they are located in Inyo or Mono County and (a) they were assessed for taxation to the local government in Inyo County as of the 1966 lien date, or in Mono County as of the 1967 lien date, whether or not the assessment was valid when made, or (b) they were acquired by the local government subsequent to that lien date and were assessed to a prior owner as of that lien date and each lien date thereafter, or (2) they are located outside Inyo or Mono County and were taxable when acquired by the local government. Improvements owned by a local government that are outside its boundaries are taxable if they were taxable when acquired or were constructed by the local government to replace improvements which were taxable when acquired.

(b) Taxable land belonging to a local government and located in Inyo County shall be assessed in any year subsequent to 1968 at the place where it was assessed as of the 1966 lien date and in an amount derived by multiplying its 1966 assessed value by the ratio of the statewide per capita assessed value of land as of the last lien date prior to the

current lien date to \$766, using civilian population only. Taxable land belonging to a local government and located in Mono County shall be assessed in any year subsequent to 1968 at the place where it was assessed as of the 1967 lien date and in an amount determined by the preceding formula except that the 1967 lien date, the 1967 assessed value, and the figure \$856 shall be used in the formula. Taxable land belonging to a local government and located outside of Inyo and Mono counties shall be assessed at the place where located and in an amount that does not exceed the lower of (1) its fair market value times the prevailing percentage of fair market value at which other lands are assessed and (2) a figure derived in the manner specified in this Section for land located in Mono County.

If land acquired by a local government after the lien date of the base year specified in this Section was assessed in the base year as part of a larger parcel, the assessed value of the part in the base year shall be that fraction of the assessed value of the larger parcel that the area of the part is of the area of the larger parcel.

If a local government divests itself of ownership of land without water rights and this land was assessed in Inyo County as of the 1966 lien date or in Mono County as of the 1967 lien date, the divestment shall not diminish the quantity of water rights assessable and taxable at the place where assessed as of that lien date.

(c) In the event the Legislature changes the prevailing percentage of fair market value at which land is assessed for taxation, there shall be used in the computations required by Section 11 (b) of this Article, for the first year for which the new percentage is applicable, in lieu of the statewide per capita assessed value of land as of the last lien date prior to the current lien date, the statewide per capita assessed value of land on the prior lien date times the ratio of the new prevailing percentage of fair market value to the previous prevailing percentage.

(d) If, after March 1954, a taxable improvement is replaced while owned by and in possession of a local government, the replacement improvement shall be assessed, as long as it is owned by a local government, as other improvements are except that the assessed value shall not exceed the product of (1) the percentage at which privately owned improvements are assessed times (2) the highest full value ever used for taxation of the improvement that has been replaced. For purposes of this calculation, the full value for any year prior to 1967 shall be conclusively presumed to be 4 times the assessed value in that year.

(e) No tax, charge, assessment, or levy of any character, other than those taxes authorized by Sections 11 (a) to 11 (d), inclusive, of this Article, shall be imposed upon one local government by another local government that is based or calculated upon the consumption or use of water outside the boundaries of the government imposing it.

(f) Any taxable interest of any character, other than a lease for agricultural purposes and an interest of a local government, in any land owned by a local government that is subject to taxation pursuant to Section 11 (a) of this Article shall be taxed in the same manner as other tax-

able interests. The aggregate value of all the interests subject to taxation pursuant to Section 11 (a), however, shall not exceed the value of all interests in the land less the taxable value of the interest of any local government ascertained as provided in Sections 11 (a) to 11 (e), inclusive, of this Article.

(g) Any assessment made pursuant to Sections 11 (a) to 11 (d), inclusive, of this Article shall be subject to review, equalization, and adjustment by the State Board of Equalization, but an adjustment shall conform to the provisions of these Sections. [*New section adopted November 5, 1974.*]

[*Unsecured Property Tax Rate*]

SEC. 12. (a) Except as provided in subdivision (b), taxes on personal property, possessory interests in land, and taxable improvements located on land exempt from taxation which are not a lien upon land sufficient in value to secure their payment shall be levied at the rates for the preceding tax year upon property of the same kind where the taxes were a lien upon land sufficient in value to secure their payment.

(b) In any year in which the assessment ratio is changed, the Legislature shall adjust the rate described in subdivision (a) to maintain equality between property on the secured and unsecured rolls. [*As amended November 2, 1976.*]

SEC. 12 $\frac{3}{4}$. [*Repealed November 5, 1974.*]

SEC. 13. [*Repealed November 5, 1974. See Section 13, below.*]

[*Separate Land and Improvements Assessment*]

SEC. 13. Land and improvements shall be separately assessed. [*New section adopted November 5, 1974.*]

SEC. 14. [*Repealed November 5, 1974. See Section 14, below.*]

[*Tax Situs*]

SEC. 14. All property taxed by local government shall be assessed in the county, city, and district in which it is situated. [*New section adopted November 5, 1974.*]

SEC. 14 $\frac{1}{5}$. [*Repealed November 5, 1974.*]

SEC. 15. [*Repealed November 5, 1974. See Section 15, below.*]

[*Disaster Relief*]

SEC. 15. The Legislature may authorize local government to provide for the assessment or reassessment of taxable property physically damaged or destroyed after the lien date to which the assessment or reassessment relates. [*New section adopted November 5, 1974.*]

SEC. 16. [*Repealed November 5, 1974. See Section 16, below.*]

[*County Board of Equalization—Assessment Appeals Board*]

SEC. 16. The county board of supervisors, or one or more assessment appeals boards created by the county board of supervisors, shall constitute the county board of equalization for a county. Two or more county boards of supervisors may jointly create one or more assessment appeals boards which shall constitute the county board of equalization for each of the participating counties.

Except as provided in subdivision (g) of Section 11, the county board of equalization, under such rules of notice as the county board may prescribe, shall equalize the values of all property on the local assessment roll by adjusting individual assessments.

County boards of supervisors shall fix the compensation for members of assessment appeals boards, furnish clerical and other assistance for those boards, adopt rules of notice and procedures for those boards as may be required to facilitate their work and to insure uniformity in the processing and decision of equalization petitions, and may provide for their discontinuance.

The Legislature shall provide for: (a) the number and qualifications of members of assessment appeals boards, the manner of selecting, appointing, and removing them, and the terms for which they serve, and (b) the procedure by which two or more county boards of supervisors may jointly create one or more assessment appeals boards. [*New section adopted November 5, 1974.*]

[*Board of Equalization*]

SEC. 17. The Board of Equalization consists of 5 voting members: the Controller and 4 members elected for 4-year terms at gubernatorial elections. The State shall be divided into four Board of Equalization districts with the voters of each district electing one member. No member may serve more than 2 terms. [*As amended November 6, 1990. Initiative measure.*]

SEC. 18. [*Repealed November 5, 1974. See Section 18, below.*]

[*Intercounty Equalization*]

SEC. 18. The Board shall measure county assessment levels annually and shall bring those levels into conformity by adjusting entire secured local assessment rolls. In the event a property tax is levied by the State, however, the effects of unequalized local assessment levels, to the extent any remain after such adjustments, shall be corrected for purposes of distributing this tax by equalizing the assessment levels of locally and state-assessed properties and varying the rate of the state tax inversely with the counties' respective assessment levels. [*New section adopted November 5, 1974.*]

SEC. 19. [*Repealed November 5, 1974. See Section 19, below.*]

[*State Assessment*]

SEC. 19. The Board shall annually assess (1) pipelines, flumes, canals, ditches, and aqueducts lying within 2 or more counties and (2) property, except franchises, owned or used by regulated railway, telegraph, or telephone companies, car companies operating on railways in the State, and companies transmitting or selling gas or electricity. This property shall be subject to taxation to the same extent and in the same manner as other property.

No other tax or license charge may be imposed on these companies which differs from that imposed on mercantile, manufacturing, and other business corporations. This restriction does not release a utility company from payments agreed on or required by law for a special privilege or franchise granted by a government body.

The Legislature may authorize Board assessment of property owned or used by other public utilities.

The Board may delegate to a local assessor the duty to assess a property used but not owned by a state assessee on which the taxes are to be paid by a local assessee. [*New section adopted November 5, 1974.*]

SEC. 20. [*Repealed November 5, 1974. See Section 20, below.*]

[*Maximum Tax Rates—Bonding Limits*]

SEC. 20. The Legislature may provide maximum property tax rates and bonding limits for local governments. [*New section adopted November 5, 1974.*]

SEC. 21. [*Repealed November 5, 1974. See Section 21, below.*]

[*School District Tax*]

SEC. 21. Within such limits as may be provided under Section 20 of this Article, the Legislature shall provide for an annual levy by county governing bodies of school district taxes sufficient to produce annual revenues for each district that the district's board determines are required for its schools and district functions. [*New section adopted November 5, 1974.*]

SEC. 21.5. [*Repealed November 5, 1974.*]

SEC. 22. [*Repealed November 5, 1974. See Section 22, below.*]

[*State Property Tax Limitations*]

SEC. 22. Not more than 25 percent of the total appropriations from all funds of the State shall be raised by means of taxes on real and personal property according to the value thereof. [*New section adopted November 5, 1974.*]

SEC. 23. *[Repealed November 5, 1974. See Section 23, below.]*

[State Boundary Change]

SEC. 23. If state boundaries change, the Legislature shall determine how property affected shall be taxed. *[New section adopted November 5, 1974.]*

SEC. 24. *[Repealed November 5, 1974. See Section 24, below.]*

[State Taxes for Local Purposes]

SEC. 24. The Legislature may not impose taxes for local purposes but may authorize local governments to impose them.

[State Funds for Local Purposes]

Money appropriated from state funds to a local government for its local purposes may be used as provided by law.

[Subventions]

Money subvened to a local government under Section 25 may be used for state or local purposes. *[New section adopted November 5, 1974.]*

SEC. 25. *[Repealed November 5, 1974. See Section 25, below.]*

[Homeowners' Exemption, Reimbursement of Local Government]

SEC. 25. The Legislature shall provide, in the same fiscal year, reimbursements to each local government for revenue lost because of Section 3(k). *[New section adopted November 5, 1974.]*

SEC. 25.5. *[Repealed November 5, 1974.]*

[Income Tax]

SEC. 26. (a) Taxes on or measured by income may be imposed on persons, corporations, or other entities as prescribed by law.

(b) Interest on bonds issued by the State or a local government in the State is exempt from taxes on income.

(c) Income of a nonprofit educational institution of collegiate grade within the State of California is exempt from taxes on or measured by income if both of the following conditions are met:

(1) The income is not unrelated business income as defined by the Legislature.

(2) The income is used exclusively for educational purposes.

(d) A nonprofit organization that is exempted from taxation by Chapter 4 (commencing with Section 23701) of Part 11 of Division 2 of the Revenue and Taxation Code or Subchapter F (commencing with Section 501) of Chapter 1 of Subtitle A of the Internal Revenue Code of 1986, or the successor of either, is exempt from any business license tax or fee measured by income or gross receipts that is levied by a county

or city, whether charter or general law, a city and county, a school district, a special district, or any other local agency. [*As amended June 7, 1994.*]

[*Bank and Corporation Taxes*]

SEC. 27. The Legislature, a majority of the membership of each house concurring, may tax corporations, including state and national banks, and their franchises by any method not prohibited by this Constitution or the Constitution or laws of the United States. Unless otherwise provided by the Legislature, the tax on state and national banks shall be according to or measured by their net income and shall be in lieu of all other taxes and license fees upon banks or their shares, except taxes upon real property and vehicle registration and license fees. [*As amended June 8, 1976.*]

[*Taxation of Insurance Companies*]

SEC. 28. (a) "Insurer," as used in this section, includes insurance companies or associations and reciprocal or interinsurance exchanges together with their corporate or other attorneys in fact considered as a single unit, and the State Compensation Insurance Fund. As used in this paragraph, "companies" includes persons, partnerships, joint stock associations and corporations.

(b) An annual tax is hereby imposed on each insurer doing business in this State on the base, at the rates, and subject to the deductions from the tax hereinafter specified.

(c) In the case of an insurer not transacting title insurance in this State, the "basis of the annual tax" is, in respect to each year, the amount of gross premiums, less return premiums, received in such year by such insurer upon its business done in this State, other than premiums received for reinsurance and for ocean marine insurance.

In the case of an insurer transacting title insurance in this State, the "basis of the annual tax" is, in respect to each year, all income upon business done in this State, except:

- (1) Interest and dividends.
- (2) Rents from real property.
- (3) Profits from the sale or other disposition of investments.
- (4) Income from investments.

"Investments" as used in this subdivision includes property acquired by such insurer in the settlement or adjustment of claims against it but excludes investments in title plants and title records. Income derived directly or indirectly from the use of title plants and title records is included in the basis of the annual tax.

In the case of an insurer transacting title insurance in this State which has a trust department and does a trust business under the banking laws of this State, there shall be excluded from the basis of the annual tax imposed by this section, the income of, and from the assets of, such trust

department and such trust business, if such income is taxed by this State or included in the measure of any tax imposed by this State.

(d) The rate of the tax to be applied to the basis of the annual tax in respect to each year is 2.35 percent.

(f) The tax imposed on insurers by this section is in lieu of all other taxes and licenses, state, county, and municipal, upon such insurers and their property, except:

(1) Taxes upon their real estate.

(2) That an insurer transacting title insurance in this State which has a trust department or does a trust business under the banking laws of this State is subject to taxation with respect to such trust department or trust business to the same extent and in the same manner as trust companies and the trust departments of banks doing business in this State.

(3) When by or pursuant to the laws of any other state or foreign country any taxes, licenses and other fees, in the aggregate, and any fines, penalties, deposit requirements or other material obligations, prohibitions or restrictions are or would be imposed upon California insurers, or upon the agents or representatives of such insurers, which are in excess of such taxes, licenses and other fees, in the aggregate, or which are in excess of the fines, penalties, deposit requirements or other obligations, prohibitions, or restrictions directly imposed upon similar insurers, or upon the agents or representatives of such insurers, of such other state or country under the statutes of this State; so long as such laws of such other state or country continue in force or are so applied, the same taxes, licenses and other fees, in the aggregate, or fines, penalties or deposit requirements or other material obligations, prohibitions, or restrictions, of whatever kind shall be imposed upon the insurers, or upon the agents or representatives of such insurers, of such other state or country doing business or seeking to do business in California. Any tax, license or other fee or other obligation imposed by any city, county, or other political subdivision or agency of such other state or country on California insurers or their agents or representatives shall be deemed to be imposed by such state or country within the meaning of this paragraph (3) of subdivision (f).

The provisions of this paragraph (3) of subdivision (f) shall not apply as to personal income taxes, nor as to ad valorem taxes on real or personal property nor as to special purpose obligations or assessments heretofore imposed by another state or foreign country in connection with particular kinds of insurance, other than property insurance; except that deductions, from premium taxes or other taxes otherwise payable, allowed on account of real estate or personal property taxes paid shall be taken into consideration in determining the propriety and extent of retaliatory action under this paragraph (3) of subdivision (f).

For the purposes of this paragraph (3) of subdivision (f) the domicile of an alien insurer, other than insurers formed under the laws of Canada, shall be that state in which is located its principal place of business in the United States.

In the case of an insurer formed under the laws of Canada or a province thereof, its domicile shall be deemed to be that province in which its head office is situated.

The provisions of this paragraph (3) of subdivision (f) shall also be applicable to reciprocals or interinsurance exchanges and fraternal benefit societies.

(4) The tax on ocean marine insurance.

(5) Motor vehicle and other vehicle registration license fees and any other tax or license fee imposed by the State upon vehicles, motor vehicles or the operation thereof.

(6) That each corporate or other attorney in fact of a reciprocal or interinsurance exchange shall be subject to all taxes imposed upon corporations or others doing business in the State, other than taxes on income derived from its principal business as attorney in fact.

A corporate or other attorney in fact of each exchange shall annually compute the amount of tax that would be payable by it under prevailing law except for the provisions of this section, and any management fee due from each exchange to its corporate or other attorney in fact shall be reduced pro tanto by a sum equivalent to the amount so computed.

(g) Every insurer transacting the business of ocean marine insurance in this State shall annually pay to the State a tax measured by that proportion of the underwriting profit of such insurer from such insurance written in the United States, which the gross premiums of the insurer from such insurance written in this State bear to the gross premiums of the insurer from such insurance written within the United States, at the rate of 5 per centum, which tax shall be in lieu of all other taxes and licenses, state, county and municipal, upon such insurer, except taxes upon real estate, and such other taxes as may be assessed or levied against such insurer on account of any other class of insurance written by it. The Legislature shall define the terms "ocean marine insurance" and "underwriting profit," and shall provide for the assessment, levy, collection and enforcement of the ocean marine tax.

(h) The taxes provided for by this section shall be assessed by the State Board of Equalization.

(i) The Legislature, a majority of all the members elected to each of the two houses voting in favor thereof, may by law change the rate or rates of taxes herein imposed upon insurers.

(j) This section is not intended to and does not change the law as it has previously existed with respect to the meaning of the words "gross premiums, less return premiums, received" as used in this article. [As amended June 8, 1976.]

SEC. 29. [Repealed November 5, 1974. See Section 29, below.]

[Local Government Tax Sharing]

SEC. 29. The Legislature may authorize counties, cities and counties, and cities to enter into contracts to apportion between them the revenue derived from any sales or use tax imposed by them which is

collected for them by the State. Before any such contract becomes operative, it shall be authorized by a majority of those voting on the question in each jurisdiction at a general or direct primary election. [*New section adopted November 5, 1974.*]

[*Tax Liens—Presumption of Payment of Taxes*]

SEC. 30. Every tax shall be conclusively presumed to have been paid after 30 years from the time it became a lien unless the property subject to the lien has been sold in the manner provided by the Legislature for the payment of the tax. [*New section adopted November 5, 1974.*]

[*Power to Tax*]

SEC. 31. The power to tax may not be surrendered or suspended by grant or contract. [*New section adopted November 5, 1974.*]

[*Proceedings Relating to Collection*]

SEC. 32. No legal or equitable process shall issue in any proceeding in any court against this State or any officer thereof to prevent or enjoin the collection of any tax. After payment of a tax claimed to be illegal, an action may be maintained to recover the tax paid, with interest, in such manner as may be provided by the Legislature. [*New section adopted November 5, 1974.*]

[*Legislature to Enact Laws*]

SEC. 33. The Legislature shall pass all laws necessary to carry out the provisions of this article. [*New section adopted November 5, 1974.*]

[*Food Products—Taxation*]

SEC. 34. Neither the State of California nor any of its political subdivisions shall levy or collect a sales or use tax on the sale of, or the storage, use or other consumption in this State of food products for human consumption except as provided by statute as of the effective date of this section. [*New section adopted November 3, 1992. Operative January 1, 1993. Initiative measure.*]

[*Local Public Safety Services*]

SEC. 35. (a) The people of the State of California find and declare all of the following:

(1) Public safety services are critically important to the security and well-being of the State's citizens and to the growth and revitalization of the State's economic base.

(2) The protection of the public safety is the first responsibility of local government and local officials have an obligation to give priority to the provision of adequate public safety services.

(3) In order to assist local government in maintaining a sufficient level of public safety services, the proceeds of the tax enacted pursuant to this section shall be designated exclusively for public safety.

(b) In addition to any sales and use taxes imposed by the Legislature, the following sales and use taxes are hereby imposed:

(1) For the privilege of selling tangible personal property at retail, a tax is hereby imposed upon all retailers at the rate of $\frac{1}{2}$ percent of the gross receipts of any retailer from the sale of all tangible personal property sold at retail in this State on and after January 1, 1994.

(2) An excise tax is hereby imposed on the storage, use, or other consumption in this State of tangible personal property purchased from any retailer on and after January 1, 1994, for storage, use, or other consumption in this State at the rate of $\frac{1}{2}$ percent of the sales price of the property.

(c) The Sales and Use Tax Law, including any amendments made thereto on or after the effective date of this section, shall be applicable to the taxes imposed by subdivision (b).

(d) (1) All revenues, less refunds, derived from the taxes imposed pursuant to subdivision (b) shall be transferred to the Local Public Safety Fund for allocation by the Legislature, as prescribed by statute, to counties in which either of the following occurs:

(A) The board of supervisors, by a majority vote of its membership, requests an allocation from the Local Public Safety Fund in a manner prescribed by statute.

(B) A majority of the county's voters voting thereon approve the addition of this section.

(2) Moneys in the Local Public Safety Fund shall be allocated for use exclusively for public safety services of local agencies.

(e) Revenues derived from the taxes imposed pursuant to subdivision (b) shall not be considered proceeds of taxes for purposes of Article XIII B or State General Fund proceeds of taxes within the meaning of Article XVI.

(f) Except for the provisions of Section 34, this section shall supersede any other provisions of this Constitution that are in conflict with the provisions of this section, including, but not limited to, Section 9 of Article II. [*New section adopted November 2, 1993.*]

SEC. 37. [*Repealed November 5, 1974.*]

SEC. 37.5. [*Repealed November 5, 1974.*]

SEC. 38. [*Repealed November 5, 1974.*]

SEC. 39. [*Repealed November 5, 1974.*]

SEC. 40. [*Repealed November 5, 1974.*]

SEC. 41. [*Repealed November 5, 1974.*]

SEC. 42. [*Repealed November 5, 1974.*]

SEC. 44. [*Repealed November 5, 1974.*]

ARTICLE XIII A *

[TAX LIMITATION]

[Maximum Ad Valorem Tax on Real Property—Apportionment of Tax Revenues]

SECTION 1. (a) The maximum amount of any ad valorem tax on real property shall not exceed One percent (1%) of the full cash value of such property. The one percent (1%) tax to be collected by the counties and apportioned according to law to the districts within the counties.

[Exceptions to Limitation]

(b) The limitation provided for in subdivision (a) shall not apply to ad valorem taxes or special assessments to pay the interest and redemption charges on (1) any indebtedness approved by the voters prior to July 1, 1978, or (2) any bonded indebtedness for the acquisition or improvement of real property approved on or after July 1, 1978, by two-thirds of the votes cast by the voters voting on the proposition. *[As amended June 3, 1986.]*

[Valuation of Real Property—Appraised Value After 1975 Assessment—Replacement Dwelling]

SEC. 2. (a) The full cash value means the county assessor's valuation of real property as shown on the 1975-76 tax bill under "full cash value" or, thereafter, the appraised value of real property when purchased, newly constructed, or a change in ownership has occurred after the 1975 assessment. All real property not already assessed up to the 1975-76 full cash value may be reassessed to reflect that valuation. For purposes of this section, "newly constructed" does not include real property which is reconstructed after a disaster, as declared by the Governor, where the fair market value of the real property, as reconstructed, is comparable to its fair market value prior to the disaster. Also, the term "newly constructed" shall not include the portion of reconstruction or improvement to a structure, constructed of unreinforced masonry bearing wall construction, necessary to comply with any local ordinance relating to seismic safety during the first 15 years following that reconstruction or improvement.

However, the Legislature may provide that under appropriate circumstances and pursuant to definitions and procedures established by the Legislature, any person over the age of 55 years who resides in property which is eligible for the homeowner's exemption under subdivision (k) of Section 3 of Article XIII and any implementing legislation may transfer the base year value of the property entitled to exemption, with the adjustments authorized by subdivision (b), to any

* New Article XIII A adopted June 6, 1978. Operative for tax year beginning July 1, 1979. Initiative measure.

replacement dwelling of equal or lesser value located within the same county and purchased or newly constructed by that person as his or her principal residence within two years of the sale of the original property. For purposes of this section, "any person over the age of 55 years" includes a married couple one member of which is over the age of 55 years. For purposes of this section, "replacement dwelling" means a building, structure, or other shelter constituting a place of abode, whether real property or personal property, and any land on which it may be situated. For purposes of this section, a two-dwelling unit shall be considered as two separate single-family dwellings. This paragraph shall apply to any replacement dwelling which was purchased or newly constructed on or after November 5, 1986.

In addition, the Legislature may authorize each county board of supervisors, after consultation with the local affected agencies within the county's boundaries, to adopt an ordinance making the provisions of this subdivision relating to transfer of base year value also applicable to situations in which the replacement dwellings are located in that county and the original properties are located in another county within this State. For purposes of this paragraph, "local affected agency" means any city, special district, school district, or community college district which receives an annual property tax revenue allocation. This paragraph shall apply to any replacement dwelling which was purchased or newly constructed on or after the date the county adopted the provisions of this subdivision relating to transfer of base year value, but shall not apply to any replacement dwelling which was purchased or newly constructed before November 9, 1988.

The Legislature may extend the provisions of this subdivision relating to the transfer of base year values from original properties to replacement dwellings of homeowners over the age of 55 years to severely disabled homeowners, but only with respect to those replacement dwellings purchased or newly constructed on or after the effective date of this paragraph.

[Full Cash Value Reflecting Inflationary Rate]

(b) The full cash value base may reflect from year to year the inflationary rate not to exceed 2 percent for any given year or reduction as shown in the consumer price index or comparable data for the area under taxing jurisdiction, or may be reduced to reflect substantial damage, destruction or other factors causing a decline in value.

["Newly Constructed"]

(c) For purposes of subdivision (a), the Legislature may provide that the term "newly constructed" shall not include any of the following:

- (1) The construction or addition of any active solar energy system.
- (2) The construction or installation of any fire sprinkler system, other fire extinguishing system, fire detection system, or fire-related

egress improvement, as defined by the Legislature, which is constructed or installed after the effective date of this paragraph.

(3) The construction, installation, or modification on or after the effective date of this paragraph of any portion or structural component of a single or multiple family dwelling which is eligible for the homeowner's exemption if the construction, installation, or modification is for the purpose of making the dwelling more accessible to a severely disabled person.

(4) The construction or installation of seismic retrofitting improvements or improvements utilizing earthquake hazard mitigation technologies, which are constructed or installed in existing buildings after the effective date of this paragraph. The Legislature shall define eligible improvements. This exclusion does not apply to seismic safety reconstruction or improvements which qualify for exclusion pursuant to the last sentence of the first paragraph of subdivision (a).

(5) The construction, installation, removal, or modification on or after the effective date of this paragraph of any portion or structural component of an existing building or structure if the construction, installation, removal, or modification is for the purpose of making the building more accessible to, or more usable by, a disabled person.

["Change in Ownership"]

(d) For purposes of this section, the term "change in ownership" shall not include the acquisition of real property as a replacement for comparable property if the person acquiring the real property has been displaced from the property replaced by eminent domain proceedings, by acquisition by a public entity, or governmental action which has resulted in a judgment of inverse condemnation. The real property acquired shall be deemed comparable to the property replaced if it is similar in size, utility, and function, or if it conforms to state regulations defined by the Legislature governing the relocation of persons displaced by governmental actions. The provisions of this subdivision shall be applied to any property acquired after March 1, 1975, but shall affect only those assessments of that property which occur after the provisions of this subdivision take effect.

[Disasters—Replacement Property]

(e) (1) Notwithstanding any other provision of this section, the Legislature shall provide that the base year value of property which is substantially damaged or destroyed by a disaster, as declared by the Governor, may be transferred to comparable property within the same county that is acquired or newly constructed as a replacement for the substantially damaged or destroyed property.

(2) Except as provided in paragraph (3), this subdivision shall apply to any comparable replacement property acquired or newly constructed on or after July 1, 1985, and to the determination of base year values for the 1985-86 fiscal year and fiscal years thereafter.

(3) In addition to the transfer of base year value of property within the same county that is permitted by paragraph (1), the Legislature may authorize each county board of supervisors to adopt, after consultation with affected local agencies within the county, an ordinance allowing the transfer of the base year value of property that is located within another county in the State and is substantially damaged or destroyed by a disaster, as declared by the Governor, to comparable replacement property of equal or lesser value that is located within the adopting county and is acquired or newly constructed within three years of the substantial damage or destruction of the original property as a replacement for that property. The scope and amount of the benefit provided to a property owner by the transfer of base year value of property pursuant to this paragraph shall not exceed the scope and amount of the benefit provided to a property owner by the transfer of base year value of property pursuant to subdivision (a). For purposes of this paragraph, "affected local agency" means any city, special district, school district, or community college district that receives an annual allocation of ad valorem property tax revenues. This paragraph shall apply to any comparable replacement property that is acquired or newly constructed as a replacement for property substantially damaged or destroyed by a disaster, as declared by the Governor, occurring on or after October 20, 1991, and to the determination of base year values for the 1991-92 fiscal year and fiscal years thereafter.

[Disasters—Replacement Property]

(f) For the purposes of subdivision (e):

(1) Property is substantially damaged or destroyed if it sustains physical damage amounting to more than 50 percent of its value immediately before the disaster. Damage includes a diminution in the value of property as a result of restricted access caused by the disaster.

(2) Replacement property is comparable to the property substantially damaged or destroyed if it is similar in size, utility, and function to the property which it replaces, and if the fair market value of the acquired property is comparable to the fair market value of the replaced property prior to the disaster.

[Real Property Transfers between Spouses]

(g) For purposes of subdivision (a), the terms "purchased" and "change in ownership" shall not include the purchase or transfer of real property between spouses since March 1, 1975, including, but not limited to, all of the following:

(1) Transfers to a trustee for the beneficial use of a spouse, or the surviving spouse of a deceased transferor, or by a trustee of such a trust to the spouse of the trustor.

(2) Transfers to a spouse which take effect upon the death of a spouse.

(3) Transfers to a spouse or former spouse in connection with a property settlement agreement or decree of dissolution of a marriage or legal separation.

(4) The creation, transfer, or termination, solely between spouses, of any coowner's interest.

(5) The distribution of a legal entity's property to a spouse or former spouse in exchange for the interest of the spouse in the legal entity in connection with a property settlement agreement or a decree of dissolution of a marriage or legal separation.

[Real Property Transfers between Parents and Children]

(h) For purposes of subdivision (a), the terms "purchased" and "change of ownership" shall not include the purchase or transfer of the principal residence of the transferor in the case of a purchase or transfer between parents and their children, as defined by the Legislature, and the purchase or transfer of the first \$1,000,000 of the full cash value of all other real property between parents and their children, as defined by the Legislature. This subdivision shall apply to both voluntary transfers and transfers resulting from a court order or judicial decree.

[Effectiveness of Amendments]

(i) Unless specifically provided otherwise, amendments to this section adopted prior to November 1, 1988, shall be effective for changes in ownership which occur, and new construction which is completed, after the effective date of the amendment. Unless specifically provided otherwise, amendments to this section adopted after November 1, 1988, shall be effective for changes in ownership which occur, and new construction which is completed, on or after the effective date of the amendment. *[As amended June 7, 1994.]*

[Changes in State Taxes—Vote Requirement]

SECTION 3. From and after the effective date of this article, any changes in state taxes enacted for the purpose of increasing revenues collected pursuant thereto whether by increased rates or changes in methods of computation must be imposed by an Act passed by not less than two-thirds of all members elected to each of the two houses of the Legislature, except that no new ad valorem taxes on real property, or sales or transaction taxes on the sales of real property may be imposed. *[New section adopted June 6, 1978. Initiative measure.]*

[Imposition of Special Taxes]

SECTION 4. Cities, Counties and special districts, by a two-thirds vote of the qualified electors of such district, may impose special taxes on such district, except ad valorem taxes on real property or a transaction tax or sales tax on the sale of real property within such City, County or special district. *[New section adopted June 6, 1978. Operative for tax year beginning July 1, 1979. Initiative measure.]*

[*Effective Date of Article*]

SECTION 5. This article shall take effect for the tax year beginning on July 1 following the passage of this Amendment, except Section 3 which shall become effective upon the passage of this article. [*New section adopted June 6, 1978. Operative for tax year beginning July 1, 1979. Initiative measure.*]

[*Severability*]

SECTION 6. If any section, part, clause, or phrase hereof is for any reason held to be invalid or unconstitutional, the remaining sections shall not be affected but will remain in full force and effect. [*New section adopted June 6, 1978. Operative for tax year beginning July 1, 1979. Initiative measure.*]

ARTICLE XIII B *

GOVERNMENT SPENDING LIMITATION

[*Total Annual Appropriations*]

SEC. 1. The total annual appropriations subject to limitation of the State and of each local government shall not exceed the appropriations limit of the entity of government for the prior year adjusted for the change in the cost of living and the change in population, except as otherwise provided in this article. [*As amended June 5, 1990. Operative July 1, 1990.*]

[*Appropriations Limit Annual Calculation—Review*]

SEC. 1.5. The annual calculation of the appropriations limit under this article for each entity of local government shall be reviewed as part of an annual financial audit. [*New section adopted June 5, 1990. Operative July 1, 1990.*]

[*Revenues in Excess of Limitation*]

SEC. 2. (a) (1) Fifty percent of all revenues received by the State in a fiscal year and in the fiscal year immediately following it in excess of the amount which may be appropriated by the State in compliance with this article during that fiscal year and the fiscal year immediately following it shall be transferred and allocated, from a fund established for that purpose, pursuant to Section 8.5 of Article XVI.

(2) Fifty percent of all revenues received by the State in a fiscal year and in the fiscal year immediately following it in excess of the amount which may be appropriated by the State in compliance with this article

* New Article XIII B adopted November 6, 1979. Operative commencing first day of fiscal year following adoption. Initiative measure.

during that fiscal year and the fiscal year immediately following it shall be returned by a revision of tax rates or fee schedules within the next two subsequent fiscal years.

(b) All revenues received by an entity of government, other than the State, in a fiscal year and in the fiscal year immediately following it in excess of the amount which may be appropriated by the entity in compliance with this article during that fiscal year and the fiscal year immediately following it shall be returned by a revision of tax rates or fee schedules within the next two subsequent fiscal years. [*As amended June 5, 1990. Operative July 1, 1990.*]

[*Appropriations Limit—Adjustments*]

SEC. 3. The appropriations limit for any fiscal year pursuant to Sec. 1 shall be adjusted as follows:

(a) In the event that the financial responsibility of providing services is transferred, in whole or in part, whether by annexation, incorporation or otherwise, from one entity of government to another, then for the year in which such transfer becomes effective the appropriations limit of the transferee entity shall be increased by such reasonable amount as the said entities shall mutually agree and the appropriations limit of the transferor entity shall be decreased by the same amount.

(b) In the event that the financial responsibility of providing services is transferred, in whole or in part, from an entity of government to a private entity, or the financial source for the provision of services is transferred, in whole or in part, from other revenues of an entity of government, to regulatory licenses, user charges or user fees, then for the year of such transfer the appropriations limit of such entity of government shall be decreased accordingly.

(c) (1) In the event an emergency is declared by the legislative body of an entity of government, the appropriations limit of the affected entity of government may be exceeded provided that the appropriations limits in the following three years are reduced accordingly to prevent an aggregate increase in appropriations resulting from the emergency.

(2) In the event an emergency is declared by the Governor, appropriations approved by a two-thirds vote of the legislative body of an affected entity of government to an emergency account for expenditures relating to that emergency shall not constitute appropriations subject to limitation. As used in this paragraph, “emergency” means the existence, as declared by the Governor, of conditions of disaster or extreme peril to the safety of persons and property within the State, or parts thereof, caused by such conditions as attack or probable or imminent attack by an enemy of the United States, fire, flood, drought, storm, civil disorder, earthquake, or volcanic eruption. [*As amended June 5, 1990. Operative July 1, 1990.*]

[*Appropriations Limit—Establishment or Change*]

SEC. 4. The appropriations limit imposed on any new or existing entity of government by this Article may be established or changed by the electors of such entity, subject to and in conformity with constitutional and statutory voting requirements. The duration of any such change shall be as determined by said electors, but shall in no event exceed four years from the most recent vote of said electors creating or continuing such change. [*New section adopted November 6, 1979. Operative commencing first day of fiscal year following adoption. Initiative measure.*]

[*Contingency, Emergency, Unemployment, Etc., Funds—Contributions—Withdrawals—Transfers*]

SEC. 5. Each entity of government may establish such contingency, emergency, unemployment, reserve, retirement, sinking fund, trust, or similar funds as it shall deem reasonable and proper. Contributions to any such fund, to the extent that such contributions are derived from the proceeds of taxes, shall for purposes of this Article constitute appropriations subject to limitation in the year of contribution. Neither withdrawals from any such fund, nor expenditures of (or authorizations to expend) such withdrawals, nor transfers between or among such funds, shall for purposes of this Article constitute appropriations subject to limitation. [*New section adopted November 6, 1979. Operative commencing first day of fiscal year following adoption. Initiative measure.*]

[*Prudent State Reserve*]

SECTION 5.5. *Prudent State Reserve.* The Legislature shall establish a prudent state reserve fund in such amount as it shall deem reasonable and necessary. Contributions to, and withdrawals from, the fund shall be subject to the provisions of Section 5 of this Article. [*New section adopted November 8, 1988. Initiative measure.*]

[*Mandates of New Programs or Higher Levels of Service—State Subvention—Exceptions*]

SEC. 6. Whenever the Legislature or any state agency mandates a new program or higher level of service on any local government, the State shall provide a subvention of funds to reimburse such local government for the costs of such program or increased level of service, except that the Legislature may, but need not, provide such subvention of funds for the following mandates:

- (a) Legislative mandates requested by the local agency affected;
- (b) Legislation defining a new crime or changing an existing definition of a crime; or
- (c) Legislative mandates enacted prior to January 1, 1975, or executive orders or regulations initially implementing legislation enacted

prior to January 1, 1975. [*New section adopted November 6, 1979. Operative commencing first day of fiscal year following adoption. Initiative measure.*]

[*Bonded Indebtedness*]

SEC. 7. Nothing in this Article shall be construed to impair the ability of the State or of any local government to meet its obligations with respect to existing or future bonded indebtedness. [*New section adopted November 6, 1979. Operative commencing first day of fiscal year following adoption. Initiative measure.*]

[*Definitions*]

SEC. 8. As used in this article and except as otherwise expressly provided herein:

(a) "Appropriations subject to limitation" of the State means any authorization to expend during a fiscal year the proceeds of taxes levied by or for the State, exclusive of state subventions for the use and operation of local government (other than subventions made pursuant to Section 6) and further exclusive of refunds of taxes, benefit payments from retirement, unemployment insurance, and disability insurance funds.

(b) "Appropriations subject to limitation" of an entity of local government means any authorization to expend during a fiscal year the proceeds of taxes levied by or for that entity and the proceeds of state subventions to that entity (other than subventions made pursuant to Section 6) exclusive of refunds of taxes.

(c) "Proceeds of taxes" shall include, but not be restricted to, all tax revenues and the proceeds to an entity of government, from (1) regulatory licenses, user charges, and user fees to the extent that those proceeds exceed the costs reasonably borne by that entity in providing the regulation, product, or service, and (2) the investment of tax revenues. With respect to any local government, "proceeds of taxes" shall include subventions received from the State, other than pursuant to Section 6, and, with respect to the State, proceeds of taxes shall exclude such subventions.

(d) "Local government" means any city, county, city and county, school district, special district, authority, or other political subdivision of or within the State.

(e) (1) "Change in the cost of living" for the State, a school district, or a community college district means the percentage change in California per capita personal income from the preceding year.

(2) "Change in the cost of living" for an entity of local government, other than a school district or a community college district, shall be either (A) the percentage change in California per capita personal income from the preceding year, or (B) the percentage change in the local assessment roll from the preceding year for the jurisdiction due to the addition of local nonresidential new construction. Each entity of lo-

cal government shall select its change in the cost of living pursuant to this paragraph annually by a recorded vote of the entity's governing body.

(f) "Change in population" of any entity of government, other than the State, a school district, or a community college district, shall be determined by a method prescribed by the Legislature.

"Change in population" of a school district or a community college district shall be the percentage change in the average daily attendance of the school district or community college district from the preceding fiscal year, as determined by a method prescribed by the Legislature.

"Change in population" of the State shall be determined by adding (1) the percentage change in the State's population multiplied by the percentage of the State's budget in the prior fiscal year that is expended for other than educational purposes for kindergarten and grades one to 12, inclusive, and the community colleges, and (2) the percentage change in the total statewide average daily attendance in kindergarten and grades one to 12, inclusive, and the community colleges, multiplied by the percentage of the State's budget in the prior fiscal year that is expended for educational purposes for kindergarten and grades one to 12, inclusive, and the community colleges.

Any determination of population pursuant to this subdivision, other than that measured by average daily attendance, shall be revised, as necessary, to reflect the periodic census conducted by the United States Department of Commerce, or successor department.

(g) "Debt service" means appropriations required to pay the cost of interest and redemption charges, including the funding of any reserve or sinking fund required in connection therewith, on indebtedness existing or legally authorized as of January 1, 1979, or on bonded indebtedness thereafter approved according to law by a vote of the electors of the issuing entity voting in an election for that purpose.

(h) The "appropriations limit" of each entity of government for each fiscal year is that amount which total annual appropriations subject to limitation may not exceed under Sections 1 and 3. However, the "appropriations limit" of each entity of government for fiscal year 1978-79 is the total of the appropriations subject to limitation of the entity for that fiscal year. For fiscal year 1978-79, state subventions to local governments, exclusive of federal grants, are deemed to have been derived from the proceeds of state taxes.

(i) Except as otherwise provided in Section 5, "appropriations subject to limitation" do not include local agency loan funds or indebtedness funds, investment (or authorizations to invest) funds of the State, or of an entity of local government in accounts at banks or savings and loan associations or in liquid securities. [*As amended June 5, 1990. Operative July 1, 1990.*]

[*Exceptions to Appropriations Subject to Limitation*]

SEC. 9. "Appropriations subject to limitation" for each entity of government do not include:

- (a) Appropriations for debt service.
- (b) Appropriations required to comply with mandates of the courts or the federal government which, without discretion, require an expenditure for additional services or which unavoidably make the provision of existing services more costly.
- (c) Appropriations of any special district which existed on January 1, 1978, and which did not as of the 1977-78 fiscal year levy an ad valorem tax on property in excess of 12½ cents per \$100 of assessed value; or the appropriations of any special district then existing or thereafter created by a vote of the people, which is totally funded by other than the proceeds of taxes.
- (d) Appropriations for all qualified capital outlay projects, as defined by the Legislature.
- (e) Appropriations of revenue which are derived from any of the following:
- (1) That portion of the taxes imposed on motor vehicle fuels for use in motor vehicles upon public streets and highways at a rate of more than nine cents (\$0.09) per gallon.
 - (2) Sales and use taxes collected on that increment of the tax specified in paragraph (1).
 - (3) That portion of the weight fee imposed on commercial vehicles which exceeds the weight fee imposed on those vehicles on January 1, 1990. [*As amended June 5, 1990. Operative July 1, 1990.*]

[Effective Date of Article]

SEC. 10. This Article shall be effective commencing with the first day of the fiscal year following its adoption. [*New section adopted November 6, 1979. Operative commencing first day of fiscal year following adoption. Initiative measure.*]

[Appropriations Limit on or after July 1, 1990]

SEC. 10.5. For fiscal years beginning on or after July 1, 1990, the appropriations limit of each entity of government shall be the appropriations limit for the 1986-87 fiscal year adjusted for the changes made from that fiscal year pursuant to this article, as amended by the measure adding this section, adjusted for the changes required by Section 3. [*New section adopted June 5, 1990. Operative July 1, 1990.*]

[Category Added or Removed from Appropriations Subject to Limitation—Severability]

SEC. 11. If any appropriation category shall be added to or removed from appropriations subject to limitation, pursuant to final judgment of any court of competent jurisdiction and any appeal therefrom, the appropriations limit shall be adjusted accordingly. If any section, part, clause or phrase in this Article is for any reason held invalid or unconstitutional, the remaining portions of this Article shall not be affected

but shall remain in full force and effect. [*New section adopted November 6, 1979. Operative commencing first day of fiscal year following adoption. Initiative measure.*]

[*Exceptions to Appropriations Subject to Limitation*]

SEC. 12. "Appropriations subject to limitation" of each entity of government shall not include appropriations of revenue from the Cigarette and Tobacco Products Surtax Fund created by the Tobacco Tax and Health Protection Act of 1988. No adjustment in the appropriations limit of any entity of government shall be required pursuant to Section 3 as a result of revenue being deposited in or appropriated from the Cigarette and Tobacco Products Surtax Fund created by the Tobacco Tax and Health Protection Act of 1988. [*New section adopted November 8, 1988. Initiative measure.*]

ARTICLE XIV. [*Repealed June 8, 1976. See Article XIV, below.*]

ARTICLE XIV *

LABOR RELATIONS

SECTION 1. [*Repealed June 8, 1976. See Section 1, below.*]

[*Minimum Wages and General Welfare of Employees*]

SECTION 1. The Legislature may provide for minimum wages and for the general welfare of employees and for those purposes may confer on a commission legislative, executive, and judicial powers. [*New section adopted June 8, 1976.*]

SEC. 2. [*Repealed June 8, 1976. See Section 2, below.*]

[*Eight-hour Workday*]

SEC. 2. Worktime of mechanics or workers on public works may not exceed eight hours a day except in wartime or extraordinary emergencies that endanger life or property. The Legislature shall provide for enforcement of this section. [*New section adopted June 8, 1976.*]

SEC. 3. [*Repealed June 8, 1976. See Section 3, below.*]

[*Mechanics' Liens*]

SEC. 3. Mechanics, persons furnishing materials, artisans, and laborers of every class, shall have a lien upon the property upon which they have bestowed labor or furnished material for the value of such labor done and material furnished; and the Legislature shall provide, by law, for the speedy and efficient enforcement of such liens. [*New section adopted June 8, 1976.*]

* New Article XIV adopted June 8, 1976.

SEC. 4. [*Repealed June 8, 1976. See Section 4, below.*]

[*Workers' Compensation*]

SEC. 4. The Legislature is hereby expressly vested with plenary power, unlimited by any provision of this Constitution, to create, and enforce a complete system of workers' compensation, by appropriate legislation, and in that behalf to create and enforce a liability on the part of any or all persons to compensate any or all of their workers for injury or disability, and their dependents for death incurred or sustained by the said workers in the course of their employment, irrespective of the fault of any party. A complete system of workers' compensation includes adequate provisions for the comfort, health and safety and general welfare of any and all workers and those dependent upon them for support to the extent of relieving from the consequences of any injury or death incurred or sustained by workers in the course of their employment, irrespective of the fault of any party; also full provision for securing safety in places of employment; full provision for such medical, surgical, hospital and other remedial treatment as is requisite to cure and relieve from the effects of such injury; full provision for adequate insurance coverage against liability to pay or furnish compensation; full provision for regulating such insurance coverage in all its aspects, including the establishment and management of a state compensation insurance fund; full provision for otherwise securing the payment of compensation; and full provision for vesting power, authority and jurisdiction in an administrative body with all the requisite governmental functions to determine any dispute or matter arising under such legislation, to the end that the administration of such legislation shall accomplish substantial justice in all cases expeditiously, inexpensively, and without incumbrance of any character; all of which matters are expressly declared to be the social public policy of this State, binding upon all departments of the state government.

The Legislature is vested with plenary powers, to provide for the settlement of any disputes arising under such legislation by arbitration, or by an industrial accident commission, by the courts, or by either, any, or all of these agencies, either separately or in combination, and may fix and control the method and manner of trial of any such dispute, the rules of evidence and the manner of review of decisions rendered by the tribunal or tribunals designated by it; provided, that all decisions of any such tribunal shall be subject to review by the appellate courts of this State. The Legislature may combine in one statute all the provisions for a complete system of workers' compensation, as herein defined.

The Legislature shall have power to provide for the payment of an award to the State in the case of the death, arising out of and in the course of the employment, of an employee without dependents, and such awards may be used for the payment of extra compensation for subsequent injuries beyond the liability of a single employer for awards to employees of the employer.

Nothing contained herein shall be taken or construed to impair or render ineffectual in any measure the creation and existence of the industrial accident commission of this State or the state compensation insurance fund, the creation and existence of which, with all the functions vested in them, are hereby ratified and confirmed. [*New section adopted June 8, 1976.*]

SEC. 5. [*Repealed November 6, 1990. See Section 5, below.*]

[*Inmate Labor*]

SECTION 5. (a) The Director of Corrections or any county Sheriff or other local government official charged with jail operations, may enter into contracts with public entities, nonprofit or for profit organizations, entities, or businesses for the purpose of conducting programs which use inmate labor. Such programs shall be operated and implemented pursuant to statutes enacted by or in accordance with the provisions of the Prison Inmate Labor Initiative of 1990, and by rules and regulations prescribed by the Director of Corrections and, for county jail programs, by local ordinances.

(b) No contract shall be executed with an employer that will initiate employment by inmates in the same job classification as non-inmate employees of the same employer who are on strike, as defined in Section 1132.6 of the Labor Code, as it reads on January 1, 1990, or who are subject to lockout, as defined in Section 1132.8 of the Labor Code, as it reads on January 1, 1990. Total daily hours worked by inmates employed in the same job classification as non-inmate employees of the same employer who are on strike, as defined in Section 1132.6 of the Labor Code, as it reads on January 1, 1990, or who are subject to lockout, as defined in Section 1132.8 of the Labor Code, as it reads on January 1, 1990, shall not exceed, for the duration of the strike, the average daily hours worked for the preceding six months, or if the program has been in operation for less than six months, the average for the period of operation.

(c) Nothing in this section shall be interpreted as creating a right of inmates to work. [*New section adopted November 6, 1990. Initiative measure.*]

ARTICLE XV. [*Repealed June 8, 1976. See Article XV, below.*]

ARTICLE XV *

USURY

[*Rate of Interest*]

SECTION 1. The rate of interest upon the loan or forbearance of any money, goods, or things in action, or on accounts after demand, shall be 7 percent per annum but it shall be competent for the parties to any loan or forbearance of any money, goods or things in action to contract in writing for a rate of interest:

(1) For any loan or forbearance of any money, goods, or things in action, if the money, goods, or things in action are for use primarily for personal, family, or household purposes, at a rate not exceeding 10 percent per annum; provided, however, that any loan or forbearance of any money, goods or things in action the proceeds of which are used primarily for the purchase, construction or improvement of real property shall not be deemed to be a use primarily for personal, family or household purposes; or

(2) For any loan or forbearance of any money, goods, or things in action for any use other than specified in paragraph (1), at a rate not exceeding the higher of (a) 10 percent per annum or (b) 5 percent per annum plus the rate prevailing on the 25th day of the month preceding the earlier of (i) the date of execution of the contract to make the loan or forbearance, or (ii) the date of making the loan or forbearance established by the Federal Reserve Bank of San Francisco on advances to member banks under Sections 13 and 13a of the Federal Reserve Act as now in effect or hereafter from time to time amended (or if there is no such single determinable rate of advances, the closest counterpart of such rate as shall be designated by the Superintendent of Banks of the State of California unless some other person or agency is delegated such authority by the Legislature).

[*Charges*]

No person, association, copartnership or corporation shall by charging any fee, bonus, commission, discount or other compensation receive from a borrower more than the interest authorized by this section upon any loan or forbearance of any money, goods or things in action.

[*Exemptions*]

However, none of the above restrictions shall apply to any obligations of, loans made by, or forbearances of, any building and loan association as defined in and which is operated under that certain act known as the "Building and Loan Association Act," approved May 5, 1931, as

* New Article XV adopted June 8, 1976.

amended, or to any corporation incorporated in the manner prescribed in and operating under that certain act entitled "An act defining industrial loan companies, providing for their incorporation, powers and supervision," approved May 18, 1917, as amended, or any corporation incorporated in the manner prescribed in and operating under that certain act entitled "An act defining credit unions, providing for their incorporation, powers, management and supervision," approved March 31, 1927, as amended or any duly licensed pawnbroker or personal property broker, or any loans made or arranged by any person licensed as a real estate broker by the State of California and secured in whole or in part by liens on real property, or any bank as defined in and operating under that certain act known as the "Bank Act," approved March 1, 1909, as amended, or any bank created and operating under and pursuant to any laws of this State or of the United States of America or any nonprofit cooperative association organized under Chapter 1 (commencing with Section 54001) of Division 20 of the Food and Agricultural Code in loaning or advancing money in connection with any activity mentioned in said title or any corporation, association, syndicate, joint stock company, or partnership engaged exclusively in the business of marketing agricultural, horticultural, viticultural, dairy, live stock, poultry and bee products on a cooperative nonprofit basis in loaning or advancing money to the members thereof or in connection with any such business or any corporation securing money or credit from any federal intermediate credit bank, organized and existing pursuant to the provisions of an act of Congress entitled "Agricultural Credits Act of 1923," as amended in loaning or advancing credit so secured, or any other class of persons authorized by statute, or to any successor in interest to any loan or forbearance exempted under this article, nor shall any such charge of any said exempted classes of persons be considered in any action or for any purpose as increasing or affecting or as connected with the rate of interest hereinbefore fixed. The Legislature may from time to time prescribe the maximum rate per annum of, or provide for the supervision, or the filing of a schedule of, or in any manner fix, regulate or limit, the fees, bonuses, commissions, discounts or other compensation which all or any of the said exempted classes of persons may charge or receive from a borrower in connection with any loan or forbearance of any money, goods or things in action.

[Judgments Rendered in Court—Rate of Interest]

The rate of interest upon a judgment rendered in any court of this State shall be set by the Legislature at not more than 10 percent per annum. Such rate may be variable and based upon interest rates charged by federal agencies or economic indicators, or both.

In the absence of the setting of such rate by the Legislature, the rate of interest on any judgment rendered in any court of the State shall be 7 percent per annum.

[*Scope of Section*]

The provisions of this section shall supersede all provisions of this Constitution and laws enacted thereunder in conflict therewith. [As amended November 6, 1979.]

SEC. 2. [Repealed June 8, 1976.]

SEC. 3. [Repealed June 8, 1976.]

ARTICLE XVI

PUBLIC FINANCE

[*Heading as amended November 5, 1974.*]

[*State Indebtedness—Limitation—Two-thirds Vote to Submit Bond Law—Submission of Law to Electors*]

SECTION 1. The Legislature shall not, in any manner create any debt or debts, liability or liabilities, which shall, singly or in the aggregate with any previous debts or liabilities, exceed the sum of three hundred thousand dollars (\$300,000), except in case of war to repel invasion or suppress insurrection, unless the same shall be authorized by law for some single object or work to be distinctly specified therein which law shall provide ways and means, exclusive of loans, for the payment of the interest of such debt or liability as it falls due, and also to pay and discharge the principal of such debt or liability within 50 years of the time of the contracting thereof, and shall be irrevocable until the principal and interest thereon shall be paid and discharged, and such law may make provision for a sinking fund to pay the principal of such debt or liability to commence at a time after the incurring of such debt or liability of not more than a period of one-fourth of the time of maturity of such debt or liability; but no such law shall take effect unless it has been passed by a two-thirds vote of all the members elected to each house of the Legislature and until, at a general election or at a direct primary, it shall have been submitted to the people and shall have received a majority of all the votes cast for and against it at such election; and all moneys raised by authority of such law shall be applied only to the specific object therein stated or to the payment of the debt thereby created. Full publicity as to matters to be voted upon by the people is afforded by the setting out of the complete text of the proposed laws, together with the arguments for and against them, in the ballot pamphlet mailed to each elector preceding the election at which they are submitted, and the only requirement for publication of such law shall be that it be set out at length in ballot pamphlets which the Secretary of State shall cause to be printed. The Legislature may, at any time after the approval of such law by the people, reduce the amount of the indebtedness authorized by the law to an amount not less than the amount contracted at the time of the reduction, or it may repeal the law if no debt shall have been contracted in pursuance thereof.

Notwithstanding any other provision of this Constitution, Members of the Legislature who are required to meet with the State Allocation Board shall have equal rights and duties with the nonlegislative members to vote and act upon matters pending or coming before such board for the allocation and apportionment of funds to school districts for school construction purposes or purposes related thereto.

Notwithstanding any other provision of this constitution, or of any bond act to the contrary, if any general obligation bonds of the State heretofore or hereafter authorized by vote of the people have been offered for sale and not sold, the Legislature may raise the maximum rate of interest payable on all general obligation bonds authorized but not sold, whether or not such bonds have been offered for sale, by a statute passed by a two-thirds vote of all members elected to each house thereof.

The provisions of Senate Bill No. 763† of the 1969 Regular Session, which authorize an increase of the state general obligation bond maximum interest rate from 5 percent to an amount not in excess of 7 percent and eliminate the maximum rate of interest payable on notes given in anticipation of the sale of such bonds, are hereby ratified. [*As amended June 2, 1970.*]

[*General Obligation Bond Proceeds Fund*]

SEC. 1.5. The Legislature may create and establish a "General Obligation Bond Proceeds Fund" in the State Treasury, and may provide for the proceeds of the sale of general obligation bonds of the State heretofore or hereafter issued, including any sums paid as accrued interest thereon, under any or all acts authorizing the issuance of such bonds, to be paid into or transferred to, as the case may be, the "General Obligation Bond Proceeds Fund." Accounts shall be maintained in the "General Obligation Bond Proceeds Fund" of all moneys deposited in the State Treasury to the credit of that fund and the proceeds of each bond issue shall be maintained as a separate and distinct account and shall be paid out only in accordance with the law authorizing the issuance of the particular bonds from which the proceeds were derived. The Legislature may abolish, subject to the conditions of this section, any fund in the State Treasury heretofore or hereafter created by any act for the purpose of having deposited therein the proceeds from the issuance of bonds if such proceeds are transferred to or paid into the "General Obligation Bond Proceeds Fund" pursuant to the authority granted in this section; provided, however, that nothing in this section shall prevent the Legislature from re-establishing any bond proceeds fund so abolished and transferring back to its credit all proceeds in the "General Obligation Bond Proceeds Fund" which constitute the proceeds of the particular bond fund being re-established. [*New section adopted November 6, 1962.*]

† Chapter 740.

SEC. 2. [*Repealed November 6, 1962. See Section 2, below.*]

*[Bond Issues—Submission by Constitutional Amendment Prohibited—
Repeal of Certain Constitutional Provisions]*

SEC. 2. (a) No amendment to this Constitution which provides for the preparation, issuance and sale of bonds of the State of California shall hereafter be submitted to the electors, nor shall any such amendment to the Constitution hereafter submitted to or approved by the electors become effective for any purpose.

Each measure providing for the preparation, issuance and sale of bonds of the State of California shall hereafter be submitted to the electors in the form of a bond act or statute.

(b) The provisions of this Constitution enumerated in subdivision (c) of this section are repealed and such provisions are continued as statutes which have been approved, adopted, legalized, ratified, validated, and made fully and completely effective, by means of the adoption by the electorate of a ratifying constitutional amendment, except that the Legislature, in addition to whatever powers it possessed under such provisions, may amend or repeal such provisions when the bonds issued thereunder have been fully retired and when no rights thereunder will be damaged.

(c) The enumerated provisions of this Constitution are: Article XVI, Sections 2, 3, 4, 4½, 5, 6, 8, 8½, 15, 16, 16.5, 17, 18, 19, 19.5, 20 and 21. [*New section adopted November 6, 1962.*]

[Appropriations]

SEC. 3. No money shall ever be appropriated or drawn from the State Treasury for the purpose or benefit of any corporation, association, asylum, hospital, or any other institution not under the exclusive management and control of the State as a state institution, nor shall any grant or donation of property ever be made thereto by the State, except that notwithstanding anything contained in this or any other section of the Constitution:

[Federal Funds]

(1) Whenever federal funds are made available for the construction of hospital facilities by public agencies and nonprofit corporations organized to construct and maintain such facilities, nothing in this Constitution shall prevent the Legislature from making state money available for that purpose, or from authorizing the use of such money for the construction of hospital facilities by nonprofit corporations organized to construct and maintain such facilities.

[Institution for Support of Orphans or Aged Indigents]

(2) The Legislature shall have the power to grant aid to the institutions conducted for the support and maintenance of minor orphans, or half-orphans, or abandoned children, or children of a father who is in-

capacitated for gainful work by permanent physical disability or is suffering from tuberculosis in such a stage that he cannot pursue a gainful occupation, or aged persons in indigent circumstances—such aid to be granted by a uniform rule, and proportioned to the number of inmates of such respective institutions.

[Needy Blind]

(3) The Legislature shall have the power to grant aid to needy blind persons not inmates of any institution supported in whole or in part by the State or by any of its political subdivisions, and no person concerned with the administration of aid to needy blind persons shall dictate how any applicant or recipient shall expend such aid granted him, and all money paid to a recipient of such aid shall be intended to help him meet his individual needs and is not for the benefit of any other person, and such aid when granted shall not be construed as income to any person other than the blind recipient of such aid, and the State Department of Social Welfare shall take all necessary action to enforce the provisions relating to aid to needy blind persons as heretofore stated.

[Physically Handicapped Persons]

(4) The Legislature shall have power to grant aid to needy physically handicapped persons not inmates of any institution under the supervision of the Department of Mental Hygiene and supported in whole or in part by the State or by any institution supported in whole or part by any political subdivision of the State.

[Management of Institutions]

(5) The State shall have at any time the right to inquire into the management of such institutions.

[Orphans, Aged Indigents, Needy Blind—County Support]

(6) Whenever any county, or city and county, or city, or town, shall provide for the support of minor orphans, or half-orphans, or abandoned children, or children of a father who is incapacitated for gainful work by permanent physical disability or is suffering from tuberculosis in such a stage that he cannot pursue a gainful occupation, or aged persons in indigent circumstances, or needy blind persons not inmates of any institution supported in whole or in part by the State or by any of its political subdivisions, or needy physically handicapped persons not inmates of any institution under the supervision of the Department of Mental Hygiene and supported in whole or in part by the State or by any institution supported in whole or part by any political subdivision of the State; such county, city and county, city, or town shall be entitled to receive the same pro rata appropriations as may be granted to such institutions under church, or other control.

[Receipts and Expenditures of Public Moneys]

An accurate statement of the receipts and expenditures of public moneys shall be attached to and published with the laws at every regular session of the Legislature. *[New section adopted November 5, 1974.]*

[Loan Guarantees re Nonprofit Corporations and Public Agencies]

SEC. 4. The Legislature shall have the power to insure or guarantee loans made by private or public lenders to nonprofit corporations and public agencies, the proceeds of which are to be used for the construction, expansion, enlargement, improvement, renovation or repair of any public or nonprofit hospital, hospital facility, or extended care facility, facility for the treatment of mental illness, or all of them, including any outpatient facility and any other facility useful and convenient in the operation of the hospital and any original equipment for any such hospital or facility, or both.

No provision of this Constitution, including but not limited to, Section 1 of Article XVI and Section 14 of Article XI, shall be construed as a limitation upon the authority granted to the Legislature by this section. *[New section adopted November 5, 1974.]*

SEC. 4½. *[Repealed November 6, 1962.]*

[Religious Institutions—Grants Prohibited]

SEC. 5. Neither the Legislature, nor any county, city and county, township, school district, or other municipal corporation, shall ever make an appropriation, or pay from any public fund whatever, or grant anything to or in aid of any religious sect, church, creed, or sectarian purpose, or help to support or sustain any school, college, university, hospital, or other institution controlled by any religious creed, church, or sectarian denomination whatever; nor shall any grant or donation of personal property or real estate ever be made by the State, or any city, city and county, town, or other municipal corporation for any religious creed, church, or sectarian purpose whatever; provided, that nothing in this section shall prevent the Legislature granting aid pursuant to Section 3 of Article XVI. *[New section adopted November 5, 1974.]*

[Gifts or Loans of Public Moneys or Pledging of Credit Prohibited—Stock of Corporations]

SEC. 6. The Legislature shall have no power to give or to lend, or to authorize the giving or lending, of the credit of the State, or of any county, city and county, city, township or other political corporation or subdivision of the State now existing, or that may be hereafter established, in aid of or to any person, association, or corporation, whether municipal or otherwise, or to pledge the credit thereof, in any manner whatever, for the payment of the liabilities of any individual, association, municipal or other corporation whatever; nor shall it have power to make any gift or authorize the making of any gift, of any public money or thing of value to any individual, municipal or other corpora-

tion whatever; provided, that nothing in this section shall prevent the Legislature granting aid pursuant to Section 3 of Article XVI; and it shall not have power to authorize the State, or any political subdivision thereof, to subscribe for stock, or to become a stockholder in any corporation whatever; provided, further, that irrigation districts for the purpose of acquiring the control of any entire international water system necessary for its use and purposes, a part of which is situated in the United States, and a part thereof in a foreign country, may in the manner authorized by law, acquire the stock of any foreign corporation which is the owner of, or which holds the title to the part of such system situated in a foreign country; provided, further, that irrigation districts for the purpose of acquiring water and water rights and other property necessary for their uses and purposes, may acquire and hold the stock of corporations, domestic or foreign, owning waters, water rights, canals, waterworks, franchises or concessions subject to the same obligations and liabilities as are imposed by law upon all other stockholders in such corporation; and

[Insurance Pooling Arrangements]

Provided, further, that this section shall not prohibit any county, city and county, city, township, or other political corporation or subdivision of the State from joining with other such agencies in providing for the payment of workers' compensation, unemployment compensation, tort liability, or public liability losses incurred by such agencies, by entry into an insurance pooling arrangement under a joint exercise of powers agreement, or by membership in such publicly-owned nonprofit corporation or other public agency as may be authorized by the Legislature; and

[Aid to Veterans]

Provided, further, that nothing contained in this Constitution shall prohibit the use of state money or credit, in aiding veterans who served in the military or naval service of the United States during the time of war, in the acquisition of, or payments for, (1) farms or homes, or in projects of land settlement or in the development of such farms or homes or land settlement projects for the benefit of such veterans, or (2) any business, land or any interest therein, buildings, supplies, equipment, machinery, or tools, to be used by the veteran in pursuing a gainful occupation; and

[Disaster Assistance]

Provided, further, that nothing contained in this Constitution shall prohibit the State, or any county, city and county, city, township, or other political corporation or subdivision of the State from providing aid or assistance to persons, if found to be in the public interest, for the purpose of clearing debris, natural materials, and wreckage from privately owned lands and waters deposited thereon or therein during a

period of a major disaster or emergency, in either case declared by the President. In such case, the public entity shall be indemnified by the recipient from the award of any claim against the public entity arising from the rendering of such aid or assistance. Such aid or assistance must be eligible for federal reimbursement for the cost thereof.

[Temporary Transfers of Funds to Political Subdivisions]

And provided, still further, that notwithstanding the restrictions contained in this Constitution, the treasurer of any city, county, or city and county shall have power and the duty to make such temporary transfers from the funds in custody as may be necessary to provide funds for meeting the obligations incurred for maintenance purposes by any city, county, city and county, district, or other political subdivision whose funds are in custody and are paid out solely through the treasurer's office. Such temporary transfer of funds to any political subdivision shall be made only upon resolution adopted by the governing body of the city, county, or city and county directing the treasurer of such city, county, or city and county to make such temporary transfer. Such temporary transfer of funds to any political subdivision shall not exceed 85 percent of the anticipated revenues accruing to such political subdivision, shall not be made prior to the first day of the fiscal year nor after the last Monday in April of the current fiscal year, and shall be replaced from the revenues accruing to such political subdivision before any other obligation of such political subdivision is met from such revenue. *[As amended November 2, 1982.]*

[Controller's Warrants]

SEC. 7. Money may be drawn from the Treasury only through an appropriation made by law and upon a Controller's duly drawn warrant. *[New section adopted November 5, 1974.]*

[School Funding Priority]

SEC. 8. (a) From all state revenues there shall first be set apart the moneys to be applied by the State for support of the public school system and public institutions of higher education.

(b) Commencing with the 1990-91 fiscal year, the moneys to be applied by the State for the support of school districts and community college districts shall be not less than the greater of the following amounts:

(1) The amount which, as a percentage of General Fund revenues which may be appropriated pursuant to Article XIII B, equals the percentage of General Fund revenues appropriated for school districts and community college districts, respectively, in fiscal year 1986-87.

(2) The amount required to ensure that the total allocations to school districts and community college districts from General Fund proceeds of taxes appropriated pursuant to Article XIII B and allocated local proceeds of taxes shall not be less than the total amount from these sources in the prior fiscal year, excluding any revenues allocated pur-

suant to subdivision (a) of Section 8.5, adjusted for changes in enrollment and adjusted for the change in the cost of living pursuant to paragraph (1) of subdivision (e) of Section 8 of Article XIII B. This paragraph shall be operative only in a fiscal year in which the percentage growth in California per capita personal income is less than or equal to the percentage growth in per capita General Fund revenues plus one half of one percent.

(3) (A) The amount required to ensure that the total allocations to school districts and community college districts from General Fund proceeds of taxes appropriated pursuant to Article XIII B and allocated local proceeds of taxes shall equal the total amount from these sources in the prior fiscal year, excluding any revenues allocated pursuant to subdivision (a) of Section 8.5, adjusted for changes in enrollment and adjusted for the change in per capita General Fund revenues.

(B) In addition, an amount equal to one-half of one percent times the prior year total allocations to school districts and community colleges from General Fund proceeds of taxes appropriated pursuant to Article XIII B and allocated local proceeds of taxes, excluding any revenues allocated pursuant to subdivision (a) of Section 8.5, adjusted for changes in enrollment.

(C) This paragraph (3) shall be operative only in a fiscal year in which the percentage growth in California per capita personal income in a fiscal year is greater than the percentage growth in per capital General Fund revenues plus one half of one percent.

(c) In any fiscal year, if the amount computed pursuant to paragraph (1) of subdivision (b) exceeds the amount computed pursuant to paragraph (2) of subdivision (b) by a difference that exceeds one and one-half percent of General Fund revenues, the amount in excess of one and one-half percent of General Fund revenues shall not be considered allocations to school districts and community colleges for purposes of computing the amount of state aid pursuant to paragraph (2) or 3 of subdivision (b) in the subsequent fiscal year.

(d) In any fiscal year in which school districts and community college districts are allocated funding pursuant to paragraph (3) of subdivision (b) or pursuant to subdivision (h), they shall be entitled to a maintenance factor, equal to the difference between (1) the amount of General Fund moneys which would have been appropriated pursuant to paragraph (2) of subdivision (b) if that paragraph had been operative or the amount of General Fund moneys which would have been appropriated pursuant to subdivision (b) had subdivision (b) not been suspended, and (2) the amount of General Fund moneys actually appropriated to school districts and community college districts in that fiscal year.

(e) The maintenance factor for school districts and community college districts determined pursuant to subdivision (d) shall be adjusted annually for changes in enrollment, and adjusted for the change in the cost of living pursuant to paragraph (1) of subdivision (e) of Section 8 of Article XIII B, until it has been allocated in full. The maintenance

factor shall be allocated in a manner determined by the Legislature in each fiscal year in which the percentage growth in per capita General Fund revenues exceeds the percentage growth in California per capita personal income. The maintenance factor shall be reduced each year by the amount allocated by the Legislature in that fiscal year. The minimum maintenance factor amount to be allocated in a fiscal year shall be equal to the product of General Fund revenues from proceeds of taxes and one-half of the difference between the percentage growth in per capita General Fund revenues from proceeds of taxes and in California per capita personal income, not to exceed the total dollar amount of the maintenance factor.

(f) For purposes of this section, “changes in enrollment” shall be measured by the percentage change in average daily attendance. However, in any fiscal year, there shall be no adjustment for decreases in enrollment between the prior fiscal year and the current fiscal year unless there have been decreases in enrollment between the second prior fiscal year and the prior fiscal year and between the third prior fiscal year and the second prior fiscal year.

(h) Subparagraph (B) of paragraph (3) of subdivision (b) may be suspended for one year only when made part of or included within any bill enacted pursuant to Section 12 of Article IV. All other provisions of subdivision (b) may be suspended for one year by the enactment of an urgency statute pursuant to Section 8 of Article IV, provided that the urgency statute may not be made part of or included within any bill enacted pursuant to Section 12 of Article IV. [*As amended June 5, 1990. Operative July 1, 1990.*]

SEC. 8½. [*Repealed November 6, 1962.*]

[*Allocations to State School Fund*]

SECTION 8.5. (a) In addition to the amount required to be applied for the support of school districts and community college districts pursuant to Section 8, the Controller shall during each fiscal year transfer and allocate all revenues available pursuant to paragraph 1 of subdivision (a) of Section 2 of Article XIII B to that portion of the State School Fund restricted for elementary and high school purposes, and to that portion of the State School Fund restricted for community college purposes, respectively, in proportion to the enrollment in school districts and community college districts respectively.

(1) With respect to funds allocated to that portion of the State School Fund restricted for elementary and high school purposes, no transfer or allocation of funds pursuant to this section shall be required at any time that the Director of Finance and the Superintendent of Public Instruction mutually determine that current annual expenditures per student equal or exceed the average annual expenditure per student of the 10 states with the highest annual expenditures per student for elementary and high schools, and that average class size equals

or is less than the average class size of the 10 states with the lowest class size for elementary and high schools.

(2) With respect to funds allocated to that portion of the State School Fund restricted for community college purposes, no transfer or allocation of funds pursuant to this section shall be required at any time that the Director of Finance and the Chancellor of the California Community Colleges mutually determine that current annual expenditures per student for community colleges in this State equal or exceed the average annual expenditure per student of the 10 states with the highest annual expenditure per student for community colleges.

(b) Notwithstanding the provisions of Article XIII B, funds allocated pursuant to this section shall not constitute appropriations subject to limitation.

(c) From any funds transferred to the State School Fund pursuant to subdivision (a), the Controller shall each year allocate to each school district and community college district an equal amount per enrollment in school districts from the amount in that portion of the State School Fund restricted for elementary and high school purposes and an equal amount per enrollment in community college districts from that portion of the State School Fund restricted for community college purposes.

(d) All revenues allocated pursuant to subdivision (a) shall be expended solely for the purposes of instructional improvement and accountability as required by law.

(e) Any school district maintaining an elementary or secondary school shall develop and cause to be prepared an annual audit accounting for such funds and shall adopt a School Accountability Report Card for each school. [*As amended June 5, 1990. Operative July 1, 1990.*]

[*Fish and Game*]

SEC. 9. Money collected under any state law relating to the protection or propagation of fish and game shall be used for activities relating thereto. [*New section adopted November 5, 1974.*]

[*Aged Aid—Federal-State Co-operation*]

SEC. 10. Whenever the United States government or any officer or agency thereof shall provide pensions or other aid for the aged, cooperation by the State therewith and therein is hereby authorized in such manner and to such extent as may be provided by law.

The money expended by any county, city and county, municipality, district or other political subdivision of this State made available under the provisions of this section shall not be considered as a part of the base for determining the maximum expenditure for any given year permissible under Section 20† of Article XI of this Constitution independent of

† Section 20, Article XI, repealed June 2, 1970.

the vote of the electors or authorization by the State Board of Equalization. [*As amended November 6, 1962.*]

[*Relief Administration*]

SEC. 11. The Legislature has plenary power to provide for the administration of any constitutional provisions or laws heretofore or hereafter enacted concerning the administration of relief, and to that end may modify, transfer, or enlarge the powers vested in any state agency or officer concerned with the administration of relief or laws appertaining thereto. The Legislature, or the people by initiative, shall have power to amend, alter, or repeal any law relating to the relief of hardship and destitution, whether such hardship and destitution results from unemployment or from other causes, or to provide for the administration of the relief of hardship and destitution, whether resulting from unemployment or from other causes, either directly by the State or through the counties of the State, and to grant such aid to the counties therefor, or make such provision for reimbursement of the counties by the State, as the Legislature deems proper. [*As amended November 6, 1962.*]

SEC. 12. [*Repealed November 6, 1962.*]

[*Legislative Power to Release Encumbrances Taken as Security for Aid to Aged*]

SEC. 13. Notwithstanding any other provision of this Constitution, the Legislature shall have power to release, rescind, cancel, or otherwise nullify in whole or in part any encumbrance on property, personal obligation, or other form of security heretofore or hereafter exacted or imposed by the Legislature to secure the repayment to, or reimbursement of, the State, and the counties or other agencies of the state government, of aid lawfully granted to and received by aged persons. [*As amended November 6, 1962.*]

[*Bonds—Environmental Pollution Control Facilities*]

SEC. 14. The Legislature may provide for the issuance of revenue bonds to finance the acquisition, construction, and installation of environmental pollution control facilities, including the acquisition of all technological facilities necessary or convenient for pollution control, and for the lease or sale of such facilities to persons, associations, or corporations, other than municipal corporations; provided, that such revenue bonds shall not be secured by the taxing power of the State; and provided, further, that the Legislature may, by resolution adopted by either house, prohibit or limit any proposed issuance of such revenue bonds. No provision of this Constitution, including, but not limited to, Section 25 of Article XIII and Sections 1 and 2 of Article XVI, shall be construed as a limitation upon the authority granted to the Legislature pursuant to this section. Nothing herein contained shall authorize any

public agency to operate any industrial or commercial enterprise. [New section adopted November 7, 1972.]

[Energy Alternative Sources Facilities—Acquisition, Construction, Etc.—Revenue Bond Issuance]

SEC. 14.5. The Legislature may provide for the issuance of revenue bonds to finance the acquisition, construction, and installation of facilities utilizing cogeneration technology, solar power, biomass, or any other alternative source the Legislature may deem appropriate, including the acquisition of all technological facilities necessary or convenient for the use of alternative sources, and for the lease or sale of such facilities to persons, associations, or corporations, other than municipal corporations; provided, that such revenue bonds shall not be secured by the taxing power of the State; and provided, further, that the Legislature may, by resolution adopted by both houses, prohibit or limit any proposed issuance of such revenue bonds. No provision of this Constitution, including, but not limited to, Sections 1, 2, and 6, of this article, shall be construed as a limitation upon the authority granted to the Legislature pursuant to this section. Nothing contained herein shall authorize any public agency to operate any industrial or commercial enterprise. [New section adopted June 3, 1980.]

[Parking Meter Revenues]

SEC. 15. A public body authorized to issue securities to provide public parking facilities and any other public body whose territorial area includes such facilities are authorized to make revenues from street parking meters available as additional security. [New section adopted November 5, 1974.]

[Taxation of Redevelopment Projects]

SEC. 16. All property in a redevelopment project established under the Community Redevelopment Law as now existing or hereafter amended, except publicly owned property not subject to taxation by reason of that ownership, shall be taxed in proportion to its value as provided in Section 1 of this article, and those taxes (the word "taxes" as used herein includes, but is not limited to, all levies on an ad valorem basis upon land or real property) shall be levied and collected as other taxes are levied and collected by the respective taxing agencies.

The Legislature may provide that any redevelopment plan may contain a provision that the taxes, if any, so levied upon the taxable property in a redevelopment project each year by or for the benefit of the State of California, any city, county, city and county, district, or other public corporation (hereinafter sometimes called "taxing agencies") after the effective date of the ordinance approving the redevelopment plan, shall be divided as follows:

(a) That portion of the taxes which would be produced by the rate upon which the tax is levied each year by or for each of those taxing

agencies upon the total sum of the assessed value of the taxable property in the redevelopment project as shown upon the assessment roll used in connection with the taxation of that property by the taxing agency, last equalized prior to the effective date of the ordinance, shall be allocated to, and when collected shall be paid into, the funds of the respective taxing agencies as taxes by or for those taxing agencies on all other property are paid (for the purpose of allocating taxes levied by or for any taxing agency or agencies which did not include the territory in a redevelopment project on the effective date of the ordinance but to which that territory has been annexed or otherwise included after the ordinance's effective date, the assessment roll of the county last equalized on the effective date of that ordinance shall be used in determining the assessed valuation of the taxable property in the project on that effective date); and

(b) Except as provided in subdivision (c), that portion of the levied taxes each year in excess of that amount shall be allocated to and when collected shall be paid into a special fund of the redevelopment agency to pay the principal of and interest on loans, moneys advanced to, or indebtedness (whether funded, refunded, assumed or otherwise) incurred by the redevelopment agency to finance or refinance, in whole or in part, the redevelopment project. Unless and until the total assessed valuation of the taxable property in a redevelopment project exceeds the total assessed value of the taxable property in the project as shown by the last equalized assessment roll referred to in subdivision (a), all of the taxes levied and collected upon the taxable property in the redevelopment project shall be paid into the funds of the respective taxing agencies. When the loans, advances, and indebtedness, if any, and interest thereon, have been paid, then all moneys thereafter received from taxes upon the taxable property in the redevelopment project shall be paid into the funds of the respective taxing agencies as taxes on all other property are paid.

(c) That portion of the taxes identified in subdivision (b) which are attributable to a tax rate levied by a taxing agency for the purpose of producing revenues in an amount sufficient to make annual repayments of the principal of, and the interest on, any bonded indebtedness for the acquisition or improvement of real property shall be allocated to, and when collected shall be paid into, the fund of that taxing agency. This paragraph shall only apply to taxes levied to repay bonded indebtedness approved by the voters of the taxing agency on or after January 1, 1989.

The Legislature may also provide that in any redevelopment plan or in the proceedings for the advance of moneys, or making of loans, or the incurring of any indebtedness (whether funded, refunded, assumed, or otherwise) by the redevelopment agency to finance or refinance, in whole or in part, the redevelopment project, the portion of taxes identified in subdivision (b), exclusive of that portion identified in subdivision (c), may be irrevocably pledged for the payment of the principal of and interest on those loans, advances, or indebtedness.

It is intended by this section to empower any redevelopment agency, city, county, or city and county under any law authorized by this section to exercise the provisions hereof separately or in combination with powers granted by the same or any other law relative to redevelopment agencies. This section shall not affect any other law or laws relating to the same or a similar subject but is intended to authorize an alternative method of procedure governing the subject to which it refers.

The Legislature shall enact those laws as may be necessary to enforce the provisions of this section. [*As amended November 8, 1988.*]

SEC. 16.5. [*Repealed November 6, 1962.*]

[*State's Credit—Investment of Public Pension or Retirement Funds*]

SEC. 17. The State shall not in any manner loan its credit, nor shall it subscribe to, or be interested in the stock of any company, association, or corporation, except that the State and each political subdivision, district, municipality, and public agency thereof is hereby authorized to acquire and hold shares of the capital stock of any mutual water company or corporation when the stock is so acquired or held for the purpose of furnishing a supply of water for public, municipal or governmental purposes; and the holding of the stock shall entitle the holder thereof to all of the rights, powers and privileges, and shall subject the holder to the obligations and liabilities conferred or imposed by law upon other holders of stock in the mutual water company or corporation in which the stock is so held.

Notwithstanding any other provisions of law or this Constitution to the contrary, the retirement board of a public pension or retirement system shall have plenary authority and fiduciary responsibility for investment of moneys and administration of the system, subject to all of the following:

(a) The retirement board of a public pension or retirement system shall have the sole and exclusive fiduciary responsibility over the assets of the public pension or retirement system. The retirement board shall also have sole and exclusive responsibility to administer the system in a manner that will assure prompt delivery of benefits and related services to the participants and their beneficiaries. The assets of a public pension or retirement system are trust funds and shall be held for the exclusive purposes of providing benefits to participants in the pension or retirement system and their beneficiaries and defraying reasonable expenses of administering the system.

(b) The members of the retirement board of a public pension or retirement system shall discharge their duties with respect to the system solely in the interest of, and for the exclusive purposes of providing benefits to, participants and their beneficiaries, minimizing employer contributions thereto, and defraying reasonable expenses of administering the system. A retirement board's duty to its participants and their beneficiaries shall take precedence over any other duty.

(c) The members of the retirement board of a public pension or retirement system shall discharge their duties with respect to the system with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with these matters would use in the conduct of an enterprise of a like character and with like aims.

(d) The members of the retirement board of a public pension or retirement system shall diversify the investments of the system so as to minimize the risk of loss and to maximize the rate of return, unless under the circumstances it is clearly not prudent to do so.

(e) The retirement board of a public pension or retirement system, consistent with the exclusive fiduciary responsibilities vested in it, shall have the sole and exclusive power to provide for actuarial services in order to assure the competency of the assets of the public pension or retirement system.

(f) With regard to the retirement board of a public pension or retirement system which includes in its composition elected employee members, the number, terms, and method of selection or removal of members of the retirement board which were required by law or otherwise in effect on July 1, 1991, shall not be changed, amended, or modified by the Legislature unless the change, amendment, or modification enacted by the Legislature is ratified by a majority vote of the electors of the jurisdiction in which the participants of the system are or were, prior to retirement, employed.

(g) The Legislature may by statute continue to prohibit certain investments by a retirement board where it is in the public interest to do so, and provided that the prohibition satisfies the standards of fiduciary care and loyalty required of a retirement board pursuant to this section.

(h) As used in this section, the term "retirement board" shall mean the board of administration, board of trustees, board of directors, or other governing body or board of a public employees' pension or retirement system; provided, however, that the term "retirement board" shall not be interpreted to mean or include a governing body or board created after July 1, 1991 which does not administer pension or retirement benefits, or the elected legislative body of a jurisdiction which employs participants in a public employees' pension or retirement system. [*As amended November 3, 1992. Initiative measure.*]

[*Municipal Debt Exceeding Income*]

SEC. 18. No county, city, town, township, board of education, or school district, shall incur any indebtedness or liability in any manner or for any purpose exceeding in any year the income and revenue provided for such year, without the assent of two-thirds of the qualified electors thereof, voting at an election to be held for that purpose, except that with respect to any such public entity which is authorized to incur indebtedness for public school purposes, any proposition for the incurrence of indebtedness in the form of general obligation bonds for the purpose of repairing, reconstructing or replacing public school

buildings determined, in the manner prescribed by law, to be structurally unsafe for school use, shall be adopted upon the approval of a majority of the qualified electors of the public entity voting on the proposition at such election; nor unless before or at the time of incurring such indebtedness provision shall be made for the collection of an annual tax sufficient to pay the interest on such indebtedness as it falls due, and also provision to constitute a sinking fund for the payment of the principal thereof, on or before maturity, which shall not exceed forty years from the time of contracting the same; provided, however, anything to the contrary herein notwithstanding, when two or more propositions for incurring any indebtedness or liability are submitted at the same election, the votes cast for and against each proposition shall be counted separately, and when two-thirds or a majority of the qualified electors, as the case may be, voting on any one of such propositions, vote in favor thereof, such proposition shall be deemed adopted. [New section adopted November 5, 1974.]

[Public Improvement Proceedings by Chartered City or County]

SEC. 19. All proceedings undertaken by any chartered city, or by any chartered county or by any chartered city and county for the construction of any public improvement, or the acquisition of any property for public use, or both, where the cost thereof is to be paid in whole or in part by special assessment or other special assessment taxes upon property, whether the special assessment will be specific or a special assessment tax upon property wholly or partially according to the assessed value of such property, shall be undertaken only in accordance with the provisions of law governing: (a) limitations of costs of such proceedings or assessments for such proceedings, or both, in relation to the value of any property assessed therefor; (b) determination of a basis for the valuation of any such property; (c) payment of the cost in excess of such limitations; (d) avoidance of such limitations; (e) postponement or abandonment, or both, of such proceedings in whole or in part upon majority protest, and particularly in accordance with such provisions as contained in Sections 10, 11 and 13a of the Special Assessment Investigation, Limitation and Majority Protest Act of 1931 or any amendments, codification, reenactment or restatement thereof.

Notwithstanding any provisions for debt limitation or majority protest as in this section provided, if, after the giving of such reasonable notice by publication and posting and the holding of such public hearing as the legislative body of any such chartered county, chartered city or chartered city and county shall have prescribed, such legislative body by no less than a four-fifths vote of all members thereof, finds and determines that the public convenience and necessity require such improvements or acquisitions, such debt limitation and majority protest provisions shall not apply.

Nothing contained in this section shall require the legislative body of any such city, county, or city and county to prepare or to cause to be prepared, hear, notice for hearing or report the hearing of any report

as to any such proposed construction or acquisition or both.
[*New section adopted November 5, 1974.*]

SEC. 19.5. [*Repealed November 6, 1962.*]

SEC. 20. [*Repealed November 6, 1962.*]

SEC. 21. [*Repealed November 6, 1962.*]

ARTICLE XVII. [*Repealed June 8, 1976.*]

ARTICLE XVIII. [*Repealed November 3, 1970.*
See Article XVIII, below.]

ARTICLE XVIII*

AMENDING AND REVISING THE CONSTITUTION

SECTION 1. [*Repealed November 3, 1970. See Section 1, below.*]

[*By Legislature*]

SEC. 1. The Legislature by rollcall vote entered in the journal, two-thirds of the membership of each house concurring, may propose an amendment or revision of the Constitution and in the same manner may amend or withdraw its proposal. Each amendment shall be so prepared and submitted that it can be voted on separately. [*New section adopted November 3, 1970.*]

SEC. 2. [*Repealed November 3, 1970. See Section 2, below.*]

[*Constitutional Convention*]

SEC. 2. The Legislature by rollcall vote entered in the journal, two-thirds of the membership of each house concurring, may submit at a general election the question whether to call a convention to revise the Constitution. If the majority vote yes on that question, within 6 months the Legislature shall provide for the convention. Delegates to a constitutional convention shall be voters elected from districts as nearly equal in population as may be practicable. [*New section adopted November 3, 1970.*]

[*Initiatives*]

SEC. 3. The electors may amend the Constitution by initiative. [*New section adopted November 3, 1970.*]

[*Effective Date: Conflict*]

SEC. 4. A proposed amendment or revision shall be submitted to the electors and if approved by a majority of votes thereon takes effect

* New Article XVIII adopted November 3, 1970.

the day after the election unless the measure provides otherwise. If provisions of 2 or more measures approved at the same election conflict, those of the measure receiving the highest affirmative vote shall prevail. [*New section adopted November 3, 1970.*]

ARTICLE XIX*

MOTOR VEHICLE REVENUES

SECTION 1. [*Repealed June 4, 1974. See Section 1, below.*]

[*Use of Fuel Taxes*]

SECTION 1. Revenues from taxes imposed by the State on motor vehicle fuels for use in motor vehicles upon public streets and highways, over and above the costs of collection and any refunds authorized by law, shall be used for the following purposes:

(a) The research, planning, construction, improvement, maintenance, and operation of public streets and highways (and their related public facilities for nonmotorized traffic), including the mitigation of their environmental effects, the payment for property taken or damaged for such purposes, and the administrative costs necessarily incurred in the foregoing purposes.

(b) The research, planning, construction, and improvement of exclusive public mass transit guideways (and their related fixed facilities), including the mitigation of their environmental effects, the payment for property taken or damaged for such purposes, the administrative costs necessarily incurred in the foregoing purposes, and the maintenance of the structures and the immediate right-of-way for the public mass transit guideways, but excluding the maintenance and operating costs for mass transit power systems and mass transit passenger facilities, vehicles, equipment, and services. [*New section adopted June 4, 1974.*]

SEC. 2. [*Repealed June 4, 1974. See Section 2, below.*]

[*Use of Motor Vehicle Fees and Taxes*]

SEC. 2. Revenues from fees and taxes imposed by the State upon vehicles or their use or operation, over and above the costs of collection and any refunds authorized by law, shall be used for the following purposes:

(a) The state administration and enforcement of laws regulating the use, operation, or registration of vehicles used upon the public streets and highways of this State, including the enforcement of traffic and vehicle laws by state agencies and the mitigation of the environmental effects of motor vehicle operation due to air and sound emissions.

* Former Article XXVI, as renumbered June 8, 1976.

(b) The purposes specified in Section 1 of this article. [*New section adopted June 4, 1974.*]

SEC. 3. [*Repealed June 4, 1974. See Section 3, below.*]

[*Appropriations by the Legislature—Regulation of Expenditures, Etc.*]

SEC. 3. The Legislature shall provide for the allocation of the revenues to be used for the purposes specified in Section 1 of this article in a manner which ensures the continuance of existing statutory allocation formulas for cities, counties, and areas of the State, until it determines that another basis for an equitable, geographical, and jurisdictional distribution exists; provided that, until such determination is made, any use of such revenues for purposes specified in subdivision (b) of Section 1 of this article by or in a city, county, or area of the State shall be included within the existing statutory allocations to, or for expenditure in, that city, county, or area. Any future statutory revisions shall provide for the allocation of these revenues, together with other similar revenues, in a manner which gives equal consideration to the transportation needs of all areas of the State and all segments of the population consistent with the orderly achievement of the adopted local, regional, and statewide goals for ground transportation in local general plans, regional transportation plans, and the California Transportation Plan. [*New section adopted June 4, 1974.*]

SEC. 4. [*Repealed June 4, 1974. See Section 4, below.*]

[*Authorization and Approval for Expenditures*]

SEC. 4. Revenues allocated pursuant to Section 3 may not be expended for the purposes specified in subdivision (b) of Section 1, except for research and planning, until such use is approved by a majority of the votes cast on the proposition authorizing such use of such revenues in an election held throughout the county or counties, or a specified area of a county or counties, within which the revenues are to be expended. The Legislature may authorize the revenues approved for allocation or expenditure under this section to be pledged or used for the payment of principal and interest on voter-approved bonds issued for the purposes specified in subdivision (b) of Section 1. [*New section adopted June 4, 1974.*]

[*Expenditures for Payment of Bonds*]

SEC. 5. The Legislature may authorize up to 25 percent of the revenues available for expenditure by any city or county, or by the State, for the purposes specified in subdivision (a) of Section 1 of this article to be pledged or used for the payment of principal and interest on voter-approved bonds issued for such purposes. [*New section adopted June 4, 1974.*]

[*Loans to State General Fund*]

SEC. 6. This article shall not prevent the designated tax revenues from being temporarily loaned to the State General Fund upon condition that amounts loaned be repaid to the funds from which they were borrowed. [*New section adopted June 4, 1974.*]

[*Scope of Article*]

SEC. 7. This article shall not affect or apply to fees or taxes imposed pursuant to the Sales and Use Tax Law or the Vehicle License Fee Law, and all amendments and additions now or hereafter made to such statutes. [*New section adopted June 4, 1974.*]

[*Use of Excess Lands for Parks and Recreation*]

SEC. 8. Notwithstanding Sections 1 and 2 of this article, any real property acquired by the expenditure of the designated tax revenues by an entity other than the State for the purposes authorized in those sections, but no longer required for such purposes, may be used for local public park and recreational purposes. [*New section adopted June 8, 1976.*]

[*Transfer of Surplus State Property Located in Coastal Zone*]

SEC. 9. Notwithstanding any other provision of this Constitution, the Legislature, by statute, with respect to surplus state property acquired by the expenditure of tax revenues designated in Sections 1 and 2 and located in the coastal zone, may authorize the transfer of such property, for a consideration at least equal to the acquisition cost paid by the state to acquire the property, to the Department of Parks and Recreation for state park purposes, or to the Department of Fish and Game for the protection and preservation of fish and wildlife habitat, or to the Wildlife Conservation Board for purposes of the Wildlife Conservation Law of 1947, or to the State Coastal Conservancy for the preservation of agricultural lands.

As used in this section, "coastal zone" means "coastal zone" as defined by Section 30103 of the Public Resources Code as such zone is described on January 1, 1977. [*New section adopted November 7, 1978.*]

ARTICLE XX

MISCELLANEOUS SUBJECTS

[*Sacramento County Consolidation With City or Cities*]

SEC. 1. Notwithstanding the provisions of Section 6 of Article XI, the County of Sacramento and all or any of the cities within the County of Sacramento may be consolidated as a charter city and county as provided by statute, with the approval of a majority of the electors of the county voting on the question of such consolidation and upon such other vote as the Legislature may prescribe in such statute. The charter

City and County of Sacramento shall be a charter city and a charter county. Its charter city powers supersede conflicting charter county powers. [*New section adopted June 4, 1974.*]

[*Protection of Homesteads*]

SEC. 1.5. The Legislature shall protect, by law, from forced sale a certain portion of the homestead and other property of all heads of families. [*New section adopted June 8, 1976.*]

[*Leland Stanford Junior University—Henry E. Huntington Library and Art Gallery*]

SEC. 2. Except for tax exemptions provided in Article XIII, the rights, powers, privileges, and confirmations conferred by Sections 10† and 15† of Article IX in effect on January 1, 1973, relating to Stanford University and the Huntington Library and Art Gallery, are continued in effect. [*Former Section 6, as renumbered June 8, 1976.*]

[*Oath of Office*]

SEC. 3. Members of the Legislature, and all public officers and employees, executive, legislative, and judicial, except such inferior officers and employees as may be by law exempted, shall, before they enter upon the duties of their respective offices, take and subscribe the following oath or affirmation:

“I, _____, do solemnly swear (or affirm) that I will support and defend the Constitution of the United States and the Constitution of the State of California against all enemies, foreign and domestic; that I will bear true faith and allegiance to the Constitution of the United States and the Constitution of the State of California; that I take this obligation freely, without any mental reservation or purpose of evasion; and that I will well and faithfully discharge the duties upon which I am about to enter.

“And I do further swear (or affirm) that I do not advocate, nor am I a member of any party or organization, political or otherwise, that now advocates the overthrow of the Government of the United States or of the State of California by force or violence or other unlawful means; that within the five years immediately preceding the taking of this oath (or affirmation) I have not been a member of any party or organization, political or otherwise, that advocated the overthrow of the Government of the United States or of the State of California by force or violence or other unlawful means except as follows:

(If no affiliations, write in the words “No Exceptions”)
and that during such time as I hold the office of _____
(name of office)

† Sections 10 and 15 of Article IX repealed November 5, 1974.

I will not advocate nor become a member of any party or organization, political or otherwise, that advocates the overthrow of the Government of the United States or of the State of California by force or violence or other unlawful means.”

And no other oath, declaration, or test, shall be required as a qualification for any public office or employment.

“Public officer and employee” includes every officer and employee of the State, including the University of California, every county, city, city and county, district, and authority, including any department, division, bureau, board, commission, agency, or instrumentality of any of the foregoing. [*As amended November 4, 1952.*]

SEC. 3.5. [*Repealed November 3, 1970.*]

[*Franchises*]

SEC. 4. The Legislature shall not pass any laws permitting the leasing or alienation of any franchise, so as to relieve the franchise or property held thereunder from the liabilities of the lessor or grantor, lessee, or grantee, contracted or incurred in the operation, use, or enjoyment of such franchise, or any of its privileges. [*Former Section 7, as renumbered June 8, 1976.*]

SEC. 5. [*Repealed June 8, 1976. See Section 5, below.*]

[*Laws Concerning Corporations*]

SEC. 5. All laws now in force in this State concerning corporations and all laws that may be hereafter passed pursuant to this section may be altered from time to time or repealed. [*Former Section 24, as renumbered June 8, 1976.*]

SEC. 6. [*Renumbered Section 2 June 8, 1976. See Section 6, below.*]

[*Reduction in Legislator's Term of Office—Retirement Benefits, Etc.*]

SEC. 6. Any legislator whose term of office is reduced by operation of the amendment to subdivision (a) of Section 2 of Article IV adopted by the people in 1972 shall, notwithstanding any other provision of this Constitution, be entitled to retirement benefits and compensation as if the term of office had not been so reduced. [*Former Section 25, as renumbered June 8, 1976.*]

[*Constitutional Officers—Number of Terms*]

SEC. 7. The limitations on the number of terms prescribed by Section 2 of Article IV, Sections 2 and 11 of Article V, Section 2 of Article IX, and Section 17 of Article XIII apply only to terms to which persons are elected or appointed on or after November 6, 1990, except that an incumbent Senator whose office is not on the ballot for the general election on that date may serve only one additional term. Those limitations shall not apply to any unexpired term to which a person is

elected or appointed if the remainder of the term is less than half of the full term. [*New section adopted November 6, 1990. Initiative measure.*]

SEC. 8. [*Renumbered Section 21 of Article I and amended November 5, 1974.*]

SEC. 9. [*Repealed November 3, 1970.*]

SEC. 10. [*Repealed June 8, 1976.*]

SEC. 11. [*Repealed June 8, 1976.*]

SEC. 12. [*Repealed November 3, 1970.*]

SEC. 13. [*Repealed November 3, 1970.*]

SEC. 14. [*Repealed November 3, 1970.*]

SEC. 15. [*Repealed June 8, 1976.*]

SEC. 16. [*Repealed November 7, 1972.*]

SEC. 17. [*Repealed June 8, 1976.*]

SEC. 17½. [*Repealed June 8, 1976.*]

SEC. 18. [*Renumbered Section 8 of Article I and amended November 5, 1974.*]

SEC. 19. [*Repealed June 8, 1976.*]

SEC. 20. [*Repealed June 8, 1976.*]

SEC. 21. [*Repealed June 8, 1976.*]

[Liquor Control]

SEC. 22. The State of California, subject to the internal revenue laws of the United States, shall have the exclusive right and power to license and regulate the manufacture, sale, purchase, possession and transportation of alcoholic beverages within the State, and subject to the laws of the United States regulating commerce between foreign nations and among the states shall have the exclusive right and power to regulate the importation into and exportation from the State, of alcoholic beverages. In the exercise of these rights and powers, the Legislature shall not constitute the State or any agency thereof a manufacturer or seller of alcoholic beverages.

[Licensed Premises—Types of Licenses]

All alcoholic beverages may be bought, sold, served, consumed and otherwise disposed of in premises which shall be licensed as provided by the Legislature. In providing for the licensing of premises, the Legislature may provide for the issuance of, among other licenses, licenses for the following types of premises where the alcoholic beverages specified in the licenses may be sold and served for consumption upon the premises:

(a) For bona fide public eating places, as defined by the Legislature.

(b) For public premises in which food shall not be sold or served as in a bona fide public eating place, but upon which premises the Legislature may permit the sale or service of food products incidental to the sale and service of alcoholic beverages. No person under the age of

21 years shall be permitted to enter and remain in any such premises without lawful business therein.

(c) For public premises for the sale and service of beers alone.

(d) Under such conditions as the Legislature may impose, for railroad dining or club cars, passenger ships, common carriers by air, and bona fide clubs after such clubs have been lawfully operated for not less than one year.

[Service or Sale to Minors]

The sale, furnishing, giving, or causing to be sold, furnished, or giving away of any alcoholic beverage to any person under the age of 21 years is hereby prohibited, and no person shall sell, furnish, give, or cause to be sold, furnished, or given away any alcoholic beverage to any person under the age of 21 years, and no person under the age of 21 years shall purchase any alcoholic beverage.

[Director of Alcoholic Beverage Control]

The Director of Alcoholic Beverage Control shall be the head of the Department of Alcoholic Beverage Control, shall be appointed by the Governor subject to confirmation by a majority vote of all of the members elected to the Senate, and shall serve at the pleasure of the Governor. The director may be removed from office by the Governor, and the Legislature shall have the power, by a majority vote of all members elected to each house, to remove the director from office for dereliction of duty or corruption or incompetency. The director may appoint three persons who shall be exempt from civil service, in addition to the person he is authorized to appoint by Section 4 of Article XXIV.

[Department of Alcoholic Beverage Control—Powers—Duties]

The Department of Alcoholic Beverage Control shall have the exclusive power, except as herein provided and in accordance with laws enacted by the Legislature, to license the manufacture, importation and sale of alcoholic beverages in this State, and to collect license fees or occupation taxes on account thereof. The department shall have the power, in its discretion, to deny, suspend or revoke any specific alcoholic beverages license if it shall determine for good cause that the granting or continuance of such license would be contrary to public welfare or morals, or that a person seeking or holding a license has violated any law prohibiting conduct involving moral turpitude. It shall be unlawful for any person other than a licensee of said department to manufacture, import or sell alcoholic beverages in this State.

[Alcoholic Beverage Control Appeals Board]

The Alcoholic Beverage Control Appeals Board shall consist of three members appointed by the Governor, subject to confirmation by a majority vote of all of the members elected to the Senate. Each member, at the time of his initial appointment, shall be a resident of a different

county from the one in which either of the other members resides. The members of the board may be removed from office by the Governor, and the Legislature shall have the power, by a majority vote of all members elected to each house, to remove any member from office for dereliction of duty or corruption or incompetency.

[Appeals—Reviews—Reversals]

When any person aggrieved thereby appeals from a decision of the department ordering any penalty assessment, issuing, denying, transferring, suspending or revoking any license for the manufacture, importation, or sale of alcoholic beverages, the board shall review the decision subject to such limitations as may be imposed by the Legislature. In such cases, the board shall not receive evidence in addition to that considered by the department. Review by the board of a decision of the department shall be limited to the questions whether the department has proceeded without or in excess of its jurisdiction, whether the department has proceeded in the manner required by law, whether the decision is supported by the findings, and whether the findings are supported by substantial evidence in the light of the whole record. In appeals where the board finds that there is relevant evidence which, in the exercise of reasonable diligence, could not have been produced or which was improperly excluded at the hearing before the department it may enter an order remanding the matter to the department for reconsideration in the light of such evidence. In all other appeals the board shall enter an order either affirming or reversing the decision of the department. When the order reverses the decision of the department, the board may direct the reconsideration of the matter in the light of its order and may direct the department to take such further action as is specially enjoined upon it by law, but the order shall not limit or control in any way the discretion vested by law in the department. Orders of the board shall be subject to judicial review upon petition of the director or any party aggrieved by such order.

[Removal of Director or Board Members]

A concurrent resolution for the removal of either the director or any member of the board may be introduced in the Legislature only if five Members of the Senate, or 10 Members of the Assembly, join as authors.

[Licenses—Regulation—Fees]

Until the Legislature shall otherwise provide, the privilege of keeping, buying, selling, serving, and otherwise disposing of alcoholic beverages in bona fide hotels, restaurants, cafes, cafeterias, railroad dining or club cars, passenger ships, and other public eating places, and in bona fide clubs after such clubs have been lawfully operated for not less than one year, and the privilege of keeping, buying, selling, serving, and otherwise disposing of beers on any premises open to the general public shall be licensed and regulated under the applicable provisions

of the Alcoholic Beverage Control Act, insofar as the same are not inconsistent with the provisions hereof, and excepting that the license fee to be charged bona fide hotels, restaurants, cafes, cafeterias, railroad dining or club cars, passenger ships, and other public eating places, and any bona fide clubs after such clubs have been lawfully operated for not less than one year, for the privilege of keeping, buying, selling, or otherwise disposing of alcoholic beverages, shall be the amounts prescribed as of the operative date hereof, subject to the power of the Legislature to change such fees.

The State Board of Equalization shall assess and collect such excise taxes as are or may be imposed by the Legislature on account of the manufacture, importation and sale of alcoholic beverages in this State.

The Legislature may authorize, subject to reasonable restrictions, the sale in retail stores of alcoholic beverages contained in the original packages, where such alcoholic beverages are not to be consumed on the premises where sold; and may provide for the issuance of all types of licenses necessary to carry on the activities referred to in the first paragraph of this section, including, but not limited to, licenses necessary for the manufacture, production, processing, importation, exportation, transportation, wholesaling, distribution, and sale of any and all kinds of alcoholic beverages.

The Legislature shall provide for apportioning the amounts collected for license fees or occupation taxes under the provisions hereof between the State and the cities, counties and cities and counties of the State, in such manner as the Legislature may deem proper.

All constitutional provisions and laws inconsistent with the provisions hereof are hereby repealed.

The provisions of this section shall be self-executing, but nothing herein shall prohibit the Legislature from enacting laws implementing and not inconsistent with such provisions.

This amendment shall become operative on January 1, 1957. [*As amended November 6, 1956. Operative January 1, 1957.*]

[*State Colleges—Speaker, Member of Governing Body*]

SEC. 23. Notwithstanding any other provision of this Constitution, the Speaker of the Assembly shall be an ex officio member, having equal rights and duties with the nonlegislative members, of any state agency created by the Legislature in the field of public higher education which is charged with the management, administration, and control of the State College System of California. [*New section adopted November 3, 1970.*]

SEC. 24. [*Renumbered Section 5 June 8, 1976.*]

SEC. 25. [*Renumbered Section 6 June 8, 1976.*]

ARTICLE XXI*

REAPPORTIONMENT OF SENATE, ASSEMBLY, CONGRESSIONAL, AND
BOARD OF EQUALIZATION DISTRICTS*[Reapportionment Following National Census]*

SECTION 1. In the year following the year in which the national census is taken under the direction of Congress at the beginning of each decade, the Legislature shall adjust the boundary lines of the Senatorial, Assembly, Congressional, and Board of Equalization districts in conformance with the following standards:

[Standards]

(a) Each member of the Senate, Assembly, Congress, and the Board of Equalization shall be elected from a single-member district.

(b) The population of all districts of a particular type shall be reasonably equal.

(c) Every district shall be contiguous.

(d) Districts of each type shall be numbered consecutively commencing at the northern boundary of the State and ending at the southern boundary.

(e) The geographical integrity of any city, county, or city and county, or of any geographical region shall be respected to the extent possible without violating the requirements of any other subdivision of this section. *[New section adopted June 3, 1980.]*

ARTICLE XXII. *[Repealed June 6, 1972.]*

ARTICLE XXIII. *[Repealed June 8, 1976.]*

ARTICLE XXIV. *[Repealed June 8, 1976.]*

ARTICLE XXV. *[Repealed November 8, 1949. Initiative measure.]*

ARTICLE XXVI. *[Renumbered Article XIX June 8, 1976.]*

ARTICLE XXVII. *[Repealed November 3, 1970.]*

ARTICLE XXVIII. *[Repealed November 5, 1974.]*

* New Article XXI adopted June 3, 1980.

ARTICLE XXXIV*

PUBLIC HOUSING PROJECT LAW

[Approval of Low Rent Housing Projects by Electors]

SECTION 1. No low rent housing project shall hereafter be developed, constructed, or acquired in any manner by any state public body until, a majority of the qualified electors of the city, town or county, as the case may be, in which it is proposed to develop, construct, or acquire the same, voting upon such issue, approve such project by voting in favor thereof at an election to be held for that purpose, or at any general or special election.

["Low Rent Housing Project"]

For the purposes of this article the term "low rent housing project" shall mean any development composed of urban or rural dwellings, apartments or other living accommodations for persons of low income, financed in whole or in part by the Federal Government or a state public body or to which the Federal Government or a state public body extends assistance by supplying all or part of the labor, by guaranteeing the payment of liens, or otherwise. For the purposes of this Article only there shall be excluded from the term "low rent housing project" any such project where there shall be in existence on the effective date hereof, a contract for financial assistance between any state public body and the Federal Government in respect to such project.

["Persons of Low Income"]

For the purposes of this Article only "persons of low income" shall mean persons or families who lack the amount of income which is necessary (as determined by the state public body developing, constructing, or acquiring the housing project) to enable them, without financial assistance, to live in decent, safe and sanitary dwellings, without overcrowding.

["State Public Body"]

For the purposes of this Article the term "state public body" shall mean this State, or any city, city and county, county, district, authority, agency, or any other subdivision or public body of this State.

["Federal Government"]

For the purposes of this Article the term "Federal Government" shall mean the United States of America, or any agency or instrumentality, corporate or otherwise, of the United States of America. *[New section adopted November 7, 1950. Initiative measure.]*

* New article adopted November 7, 1950. Initiative measure.

[*Self-executing Provisions*]

SECTION 2. The provisions of this Article shall be self-executing but legislation not in conflict herewith may be enacted to facilitate its operation. [*New section adopted November 7, 1950. Initiative measure.*]

[*Constitutionality of Article*]

SECTION 3. If any portion, section or clause of this Article, or the application thereof to any person or circumstance, shall for any reason be declared unconstitutional or held invalid, the remainder of this Article, or the application of such portion, section or clause to other persons or circumstances, shall not be affected thereby. [*New section adopted November 7, 1950. Initiative measure.*]

[*Scope of Article*]

SECTION 4. The provisions of this Article shall supersede all provisions of this Constitution and laws enacted thereunder in conflict therewith. [*New section adopted November 7, 1950. Initiative measure.*]

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VOTE OF ELECTORS

**Primary Election, June 7, 1994, and
General Election, November 8, 1994**

MEASURES SUBMITTED TO VOTE OF ELECTORS

Primary Election, June 7, 1994

MEASURES ADOPTED

CONSTITUTIONAL AMENDMENTS SUBMITTED BY LEGISLATURE

*Number
on ballot*

- 176. **Taxation: Nonprofit Organizations.** (Statutes 1993, Resolution Chapter 67, SCA 15)
- 177. **Property Tax Exemption. Disabled Persons' Access.** (Statutes 1993, Resolution Chapter 92, ACA 8)
- 179. **Murder: Punishment.** (Statutes 1993, Chapter 609, SB 310)

MEASURES DEFEATED

CONSTITUTIONAL AMENDMENTS SUBMITTED BY LEGISLATURE

*Number
on ballot*

- 175. **Renters' Income Tax Credit.** (Statutes 1993, Resolution Chapter 42, SCA 9)
- 178. **Property Tax Exclusion. Water Conservation Equipment.** (Statutes 1993, Resolution Chapter 93, SCA 4)

INITIATIVE STATUTE

- 180. **Park Lands, Historic Sites, Wildlife and Forest Conservation Bond Act.**

BOND ACTS SUBMITTED BY LEGISLATURE

- 1A. **Earthquake Relief and Seismic Retrofit Bond Act of 1994.** (Statutes 1994, Chapter 15, SB 131)
- 1B. **Safe Schools Act of 1994.** (Statutes 1994, Chapter 19, SB 190)
- 1C. **Higher Education Facilities Bond Act of June 1994.** (Statutes 1994, Chapter 18, SB 46)

MEASURES SUBMITTED TO VOTE OF ELECTORS *

General Election, November 8, 1994

MEASURES ADOPTED

CONSTITUTIONAL AMENDMENTS SUBMITTED BY LEGISLATURE

*Number
on ballot*

- 183. **Recall Elections. State Officers.** (Statutes 1994, Resolution Chapter 59, SCA 38)
- 189. **Bail Exception. Felony Sexual Assault.** (Statutes 1994, Resolution Chapter 95, ACA 37)
- 190. **Commission on Judicial Performance.** (Statutes 1994, Resolution Chapter 111, ACA 46)
- 191. **Justice Courts.** (Statutes 1994, Resolution Chapter 113, SCA 7)

INITIATIVE STATUTES

- 184. **Increased Sentences. Repeat Offenders.**
- 187. **Illegal Aliens. Ineligibility for Public Services. Verification and Reporting.**

MEASURES DEFEATED

INITIATIVE CONSTITUTIONAL AMENDMENT AND STATUTE

*Number
on ballot*

- 186. **Health Services. Taxes.**

INITIATIVE STATUTES

- 185. **Public Transportation Trust Funds. Gasoline Sales Tax.**
- 188. **Smoking and Tobacco Products. Local Preemption. Statewide Regulation.**

BOND ACT SUBMITTED BY LEGISLATURE

- 181. **Passenger Rail and Clean Air Bond Act of 1994.** (Statutes 1989, Chapter 108, AB 973, as amended by Statutes 1992, Chapter 25, AB 680; Statutes 1992, Chapter 1310, SB 1691; Statutes 1993, Chapter 478, AB 1089)

*182. **California Housing and Jobs Investment Bond Act.** (Statutes 1993, Chapter 116, AB 215) [Removed from ballot by Statutes 1994, Chapter 313, AB 3257.]

State of California

OFFICE OF THE SECRETARY OF STATE

I, BILL JONES, Secretary of State of the State of California, hereby certify, based on records on file in my office;

That pursuant to Government Code § 9766, Subd. (d), the following are the results of all elections upon any initiative or referendum measures submitted to the electors of the State within the Calendar Year 1994.

The following laws were adopted by vote of the electors at the June 7, 1994, primary election:

Taxation: Nonprofit Organizations. Legislative Constitutional Amendment.
(Senate Constitutional Amendment 15, Statutes of 1993, Resolution Chapter 67)
Property Tax Exemption. Disabled Persons' Access. Legislative Constitutional Amendment. (Assembly Constitutional Amendment 8, Statutes of 1993, Resolution Chapter 92)

Murder: Punishment. Legislative Initiative Amendment.
(Senate Bill 310, Statutes of 1993, Chapter 609)

The following proposed laws were defeated by vote of the electors at the June 7, 1994, primary election:

Earthquake Relief and Seismic Retrofit Bond Act of 1994.

(Senate Bill 131, Statutes of 1994, Chapter 15)

Safe Schools Act of 1994.

(Senate Bill 190, Statutes of 1994, Chapter 19)

Higher Education Facilities Bond Act of June 1994.

(Senate Bill 46, Statutes of 1994, Chapter 18)

Renters' Income Tax Credit. Legislative Constitutional Amendment.

(Senate Constitutional Amendment 9, Statutes of 1993, Resolution Chapter 42)

Property Tax Exclusion. Water Conservation Equipment. Legislative Constitutional Amendment.

(Senate Constitutional Amendment 4, Statutes of 1993, Resolution Chapter 93)

Park Lands, Historic Sites, Wildlife and Forest Conservation Bond Act. Initiative Statute.

The following laws were adopted by vote of the electors at the November 8, 1994, general election:

Recall Elections. State Officers. Legislative Constitutional Amendment.
(Senate Constitutional Amendment 38, Statutes of 1994, Resolution Chapter 59)
Increased Sentences. Repeat Offenders. Initiative Statute.
Illegal Aliens. Ineligibility for Public Services. Verification and Reporting. Initiative Statute.
Bail Exception. Felony Sexual Assault. Legislative Constitutional Amendment.
(Assembly Constitutional Amendment 37, Statutes of 1994, Resolution Chapter 95)
Commission on Judicial Performance. Legislative Constitutional Amendment.
(Assembly Constitutional Amendment 46, Statutes of 1994, Resolution Chapter 111)
Justice Courts. Legislative Initiative Amendment.
(Senate Constitutional Amendment 7, Statutes of 1994, Resolution Chapter 113)

The following proposed laws were defeated by vote of the electors at the November 8, 1994, general election:

Passenger Rail and Clean Air Bond Act of 1994.
(Assembly Bill 973, Statutes of 1989, Chapter 108, as amended by AB 680, Statutes of 1992, Ch. 25, SB 1691, Statutes of 1992, Ch. 1310, and AB 1089, Statutes of 1993, Ch. 478)
Public Transportation Trust Funds. Gasoline Sales Tax. Initiative Statute.
Health Services. Taxes. Initiative Constitutional Amendment and Statute.
Smoking and Tobacco Products. Local Preemption. Statewide Regulation. Initiative Statute.



IN WITNESS WHEREOF, I hereunto set my hand and affix the Great Seal of the State of California, at Sacramento, this 19th day of January, 1995.

Bill Jones
BILL JONES
Secretary of State

**PROPOSITIONS SUBMITTED TO
VOTE OF ELECTORS**

Primary Election, June 7, 1994

MEASURES ADOPTED

CONSTITUTIONAL AMENDMENTS SUBMITTED BY LEGISLATURE

*Number
on ballot*

176. **Taxation: Nonprofit Organizations.** (Statutes 1993, Resolution Chapter 67, SCA 15)

[Approved by electors June 7, 1994.]

PROPOSED AMENDMENT TO ARTICLE XIII, SECTION 26

SEC. 26. (a) Taxes on or measured by income may be imposed on persons, corporations, or other entities as prescribed by law.

(b) Interest on bonds issued by the State or a local government in the State is exempt from taxes on income.

(c) Income of a nonprofit educational institution of collegiate grade within the State of California is exempt from taxes on or measured by income if *both of the following conditions are met*:

(1) ~~it~~ *The income* is not unrelated business income as defined by the Legislature, ~~and~~ .

(2) ~~it~~ *The income* is used exclusively for educational purposes.

(d) A nonprofit organization that is exempted from taxation by Chapter 4 (commencing with Section 23701) of Part 11 of Division 2 of the Revenue and Taxation Code or Subchapter F (commencing with Section 501) of Chapter 1 of Subtitle A of the Internal Revenue Code of 1986, or the successor of either, is exempt from any business license tax or fee measured by income or gross receipts that is levied by a county or city, whether charter or general law, a city and county, a school district, a special district, or any other local agency.

*Number
on ballot*

177. **Property Tax Exemption. Disabled Persons' Access.** (Statutes 1993, Resolution Chapter 92, ACA 8)

[Approved by electors June 7, 1994.]

**PROPOSED AMENDMENT TO SUBDIVISION (c)
OF SECTION 2 OF ARTICLE XIII A**

(c) For purposes of subdivision (a), the Legislature may provide that the term "newly constructed" shall not include any of the following:

- (1) The construction or addition of any active solar energy system.

(2) The construction or installation of any fire sprinkler system, other fire extinguishing system, fire detection system, or fire-related egress improvement, as defined by the Legislature, which is constructed or installed after the effective date of this paragraph.

(3) The construction, installation, or modification on or after the effective date of this paragraph of any portion or structural component of a single or multiple family dwelling which is eligible for the homeowner's exemption if the construction, installation, or modification is for the purpose of making the dwelling more accessible to a severely disabled person.

(4) The construction or installation of seismic retrofitting improvements or improvements utilizing earthquake hazard mitigation technologies, which are constructed or installed in existing buildings after the effective date of this paragraph. The Legislature shall define eligible improvements. This exclusion does not apply to seismic safety reconstruction or improvements which qualify for exclusion pursuant to the last sentence of the first paragraph of subdivision (a).

(5) *The construction, installation, removal, or modification on or after the effective date of this paragraph of any portion or structural component of an existing building or structure if the construction, installation, removal, or modification is for the purpose of making the building more accessible to, or more usable by, a disabled person.*

Number
on ballot

179. **Murder: Punishment.** (Statutes 1993, Chapter 609, SB 310)

[Approved by electors June 7, 1994.]

PROPOSED LAW

SEC. 3. Section 190 of the Penal Code is amended to read:

190. (a) Every person guilty of murder in the first degree shall suffer death, confinement in *the* state prison for life without *the* possibility of parole, or confinement in the state prison for a term of 25 years to life. The penalty to be applied shall be determined as provided in Sections 190.1, 190.2, 190.3, 190.4, and 190.5.

Except as provided in subdivision (b) *or* (c), every person guilty of murder in the second degree shall suffer confinement in the state prison for a term of 15 years to life.

~~The provisions of~~ *Except as provided in subdivision (b)*, Article 2.5 (commencing with Section 2930) of Chapter 7 of Title 1 of Part 3 ~~of the Penal Code~~ shall apply to reduce any minimum term of ~~25 or 15~~ *15, 20, or 25* years in a *the* state prison imposed pursuant to this section, but ~~such~~ *the* person shall not otherwise be released on parole prior to ~~such~~ *that* time.

(b) Every person guilty of murder in the second degree shall suffer confinement in the state prison for a term of 25 years to life if the victim was a peace officer, as defined in subdivision (a) of Section 830.1, subdivision (a) or (b) of Section 830.2, or Section 830.5, who was killed while engaged in the performance of his or her duties, and the defendant knew, or reasonably should have known, that the victim was such a peace officer engaged in the performance of his or her duties.

~~The provisions of~~ Article 2.5 (commencing with Section 2930) of Chapter 7 of Title 1 of Part 3 ~~of the Penal Code~~ shall not apply to reduce any minimum term of 25 years in *the* state prison when the person is guilty of murder in the second

degree and the victim was a peace officer, as defined in this subdivision, and such the person shall not be released prior to serving 25 years confinement.

(c) *Every person guilty of murder in the second degree shall suffer confinement in the state prison for a term of 20 years to life if the killing was perpetrated by means of shooting a firearm from a motor vehicle, intentionally at another person outside of the vehicle with the intent to inflict great bodily injury.*

Article 2.5 (commencing with Section 2930) of Chapter 7 of Title 1 of Part 3 shall apply to reduce any minimum term of 20 years in the state prison when the person is guilty of murder in the second degree and is subject to this subdivision, but the person shall not otherwise be released on parole prior to that time.

MEASURES DEFEATED

CONSTITUTIONAL AMENDMENTS SUBMITTED BY LEGISLATURE

*Number
on ballot*

175. **Renters' Income Tax Credit.** (Statutes 1993, Resolution Chapter 42, SCA 9)

[Rejected by electors June 7, 1994.]

PROPOSED AMENDMENT TO ARTICLE XIII

SEC. 26.5. (a) For purposes of income taxation, qualified renters shall be allowed a credit against their net tax in an amount not less than \$120 for married couples filing joint returns, heads of household, and surviving spouses, and in an amount not less than \$60 for other individuals.

(b) The Legislature may amend those statutes that implement an income tax credit for qualified renters as of January 1, 1993, and may amend or enact other statutes, as necessary to timely or properly administer the credit established by subdivision (a).

(c) This section applies to taxable years beginning on or after January 1, 1995.

*Number
on ballot*

178. **Property Tax Exclusion. Water Conservation Equipment.** (Statutes 1993, Resolution Chapter 93, SCA 4)

[Rejected by electors June 7, 1994.]

PROPOSED AMENDMENT TO SUBDIVISION (a) OF SECTION 2 OF ARTICLE XIII A

(a) The full cash value means the county assessor's valuation of real property as shown on the 1975-76 tax bill under "full cash value" or, thereafter, the appraised value of real property when purchased, newly constructed, or a change in ownership has occurred after the 1975 assessment. All real property not already assessed up to the 1975-76 full cash value may be reassessed to reflect that valuation.

For purposes of this section, "newly constructed" does not include ~~real~~ *any of the following:*

(1) *Real property which that is reconstructed after a disaster, as declared by the Governor, where the fair market value of the real property, as reconstructed, is comparable to its fair market value prior to the disaster. Also, the term "newly constructed" shall not include the*

(2) *That portion of reconstruction or improvement to a structure, constructed of unreinforced masonry bearing wall construction, necessary to comply with any local ordinance relating to seismic safety during the first 15 years following that reconstruction or improvement.*

(3) *That portion of any improvement to real property that consists of the installation of water conservation equipment, as defined by the Legislature, for agricultural use.*

However, the The Legislature may provide that under appropriate circumstances and pursuant to definitions and procedures established by the Legislature, any person over the age of 55 years who resides in property which is eligible for the homeowner's exemption under subdivision (k) of Section 3 of Article XIII and any implementing legislation may transfer the base year value of the property entitled to exemption, with the adjustments authorized by subdivision (b), to any replacement dwelling of equal or lesser value located within the same county and purchased or newly constructed by that person as his or her principal residence within two years of the sale of the original property. For purposes of this section, "any person over the age of 55 years" includes a married couple one member of which is over the age of 55 years. For purposes of this section, "replacement dwelling" means a building, structure, or other shelter constituting a place of abode, whether real property or personal property, and any land on which it may be situated. For purposes of this section, a two-dwelling unit shall be considered as two separate single-family dwellings. This paragraph shall apply to any replacement dwelling which was purchased or newly constructed on or after November 5, 1986.

In addition, the Legislature may authorize each county board of supervisors, after consultation with the local affected agencies within the county's boundaries, to adopt an ordinance making the provisions of this subdivision relating to transfer of base year value also applicable to situations in which the replacement dwellings are located in that county and the original properties are located in another county within this State. For purposes of this paragraph, "local affected agency" means any city, special district, school district, or community college district which receives an annual property tax revenue allocation. This paragraph shall apply to any replacement dwelling which was purchased or newly constructed on or after the date the county adopted the provisions of this subdivision relating to transfer of base year value, but shall not apply to any replacement dwelling which was purchased or newly constructed before November 9, 1988.

The Legislature may extend the provisions of this subdivision relating to the transfer of base year values from original properties to replacement dwellings of homeowners over the age of 55 years to severely disabled homeowners, but only with respect to those replacement dwellings purchased or newly constructed on or after the effective date of this paragraph.

INITIATIVE STATUTE

*Number
on ballot*

180. **Park Lands, Historic Sites, Wildlife and Forest Conservation Bond Act.**

[Rejected by electors June 7, 1994.]

PROPOSED LAW

SECTION 1. This act shall be known and may be cited as the California Safe Neighborhood Parks, Gang Prevention, Tree Planting, Wildlife, Coastal, Senior Center, Park, Wetlands, Rivers, Forest and Agricultural Land Conservation Act of 1994.

SECTION 2. Division 14.1 (commencing with Section 23000) is added to the Public Resources Code, to read:

**DIVISION 14.1. CALIFORNIA SAFE NEIGHBORHOOD PARKS,
GANG PREVENTION, TREE PLANTING, WILDLIFE, COASTAL,
SENIOR CENTER, PARK, WETLANDS, RIVERS, FOREST
AND AGRICULTURAL LAND CONSERVATION ACT OF 1994**

CHAPTER 1. GENERAL PROVISIONS

23000. This division shall be known and may be cited as the California Safe Neighborhood Parks, Gang Prevention, Tree Planting, Wildlife, Coastal, Senior Center, Park, Wetlands, Rivers, Forest and Agricultural Land Conservation Act of 1994.

23001. The people of California find and declare all of the following:

(a) Providing safe parks and recreation facilities for the people of California is vital to the social, economic and environmental well-being of the state.

(b) Preservation of historical and archaeological resources is important to maintaining links with the historic and prehistoric cultures of California.

(c) Parks, wildlife habitat, rivers, wetlands, agricultural lands, beaches, other open space lands and urban trees are vital to maintaining the quality of life in California, and to maintaining the state as a desirable place to live and work. As the state's population increases, it is of growing importance to protect open space and provide parks and recreational opportunities to the residents of California.

(d) Preservation of California's unique natural heritage is in the interest of all Californians.

(e) Preservation of agricultural land will help maintain one of California's most important industries, protect open space important to urban and rural economies, and help maintain the quality of life in California.

(f) Preserving California's environment is vital to the state's tourist economy, which creates tens of thousands of jobs in California.

(g) Providing children with safe places to play, including parks, recreational facilities, and open space areas, will make the children less at-risk of becoming involved in gangs and other anti-social activities.

Providing at-risk youth with opportunities to protect and restore the environment, parks, and wildlife habitat through employment in the California Conservation Corps and community conservation corps will provide them with important job skills which will also help prevent their involvement in gangs and other anti-social activities.

(h) Urban tree planting improves the quality of life by making our communities more liveable by bringing park and open space benefits to our cities.

(i) Preventing waste and improving efficiency in park and wildlife preservation systems serves the public good; maximizes park, recreation and open space benefits; and protects scarce public funds.

(j) Requiring that park, recreation and boating facility funds be spent for their originally intended purposes preserves faith with the voters, provides fairness to those who pay money into the funds, and furthers the recreation and open space protection goals of this division.

(k) Californians enjoy diverse recreational activities and facilities including, but not limited to, safe neighborhood parks, historical and archaeological resources, wildlife habitat, other open space areas, bicycling, hiking, horseback riding, athletics, senior recreational facilities, and motorized and nonmotorized boating. Providing stable funding for the variety of recreational projects enjoyed by Californians is in the public interest and enhances the quality of life in California.

23002. The terms "natural lands", "park", and "riparian habitat" are defined in the same manner as in Section 5902. "Acquisition" is defined in the same manner as in subdivision (a) of Section 2785 of the Fish and Game Code.

23002.5. (a) "Archaeological resource preservation project" is a project designed to preserve a historical resource as defined in this section, and which is primarily concerned with conservation of archaeological resources in place and in context by acquiring, protecting, stabilizing or preserving archaeological sites and features.

(b) "At-risk youth" means persons who have not attained the age of twenty-one years and are at high risk of being involved in or are involved in one or more of the following: gangs; juvenile delinquency; criminal activity; substance abuse; adolescent pregnancy; or school failure or drop-out.

(c) "Coastal resources" means those land and water areas within the coastal zone, as defined in subdivisions (a) and (b) of Section 31006, and within the Santa Monica Mountains Zone, as described in Section 33105, which are suitable for public park, beach, or recreational purposes, including, but not limited to, areas of historical significance and areas of open space that complement park, beach, or recreational areas, or which are suitable for the preservation of coastal resource values.

(d) (1) "District" means any district formed pursuant to Article 3 (commencing with Section 5500) of Chapter 3 of, and any recreation and park district formed pursuant to Chapter 4 (commencing with Section 5780) of, Division 5. With respect to any area which is not included within a regional park, regional open space or regional park and open space district, or a recreation and park district, and in which no city or county provides parks or recreational areas or facilities, "district" also means any other district which is authorized by statute to operate and manage parks or recreational areas or facilities, employs a full-time park and recreation employee responsible for directing recreation activities and park operations for the district, offers year-round park and recreation services on lands and facilities owned by the district, and allocates a substantial portion of its annual operating budget to parks or recreation areas or facilities. A county service area which is formed for the specific purpose of providing park and recreation services or which meets the conditions in this subdivision is a district for purposes of subparagraph (A) of paragraph (6) of subdivision (a) of Section 23007.

(2) A district which does not meet the definition of paragraph (1) is eligible to apply for funds specified in subparagraphs (C), (D), and (E) of paragraph

(6) of subdivision (a) of Section 23007 if the district is authorized by statute to operate and manage parks or recreational areas or facilities, employs a full-time park and recreation employee responsible for directing recreation activities and park operation for the district, offers year-round park and recreation services on lands and facilities owned by the district, and allocates a substantial portion of its annual operating budget to parks or recreation areas or facilities.

(3) A "joint powers agency" is a joint powers agency which is formed for the purpose of planning, acquiring, improving, operating, or maintaining open space, habitat, or park land. Such an entity may, with the approval of a member agency, apply on behalf of that member agency for funds specified in subdivision (a) of Section 23007 and may expend those funds.

(e) "Fund" means the California Safe Neighborhood Parks, Gang Prevention, Tree Planting, Wildlife, Coastal, Senior Center, Park, Wetlands, Rivers, Forest and Agricultural Land Conservation Fund of 1994 created pursuant to Section 23046.

(f) "Historical resource" includes, but is not limited to, any building, structure, site, site containing Native American rock art, area, or place which is historically or archaeologically significant, or is significant in the architectural, engineering, scientific, economic, agricultural, educational, social, political, military, or cultural annals of California.

(g) "Historical resource preservation project" is a product, facility or project designed to preserve a historical resource that is listed, or meets the criteria for listing, in the National Register of Historic Places or the California Register of Historical Resources.

(h) "Inland resources" means those land and water areas not included in the definition of coastal resources.

(i) "Lake Tahoe region" means the area described in Section 66905.5 of the Government Code.

(j) "Local agency" means a district, city, county, city and county, or joint powers agency as defined in this division.

(k) "Nonprofit organization" means any charitable organization qualified pursuant to Section 501(c)(3) and 501(c)(4) of the federal Internal Revenue Code.

(l) "Prime agricultural land" means the same as defined in subdivision (c) of Section 51201 of the Government Code.

(m) "Restoration" when used in connection with habitat means improvement of a degraded habitat to a value or function approaching or attaining that which existed naturally. Habitat restoration projects shall emphasize to the greatest extent possible the use of native plants typically found in the area being restored.

(n) "Sacramento-San Joaquin Delta" means those land and water areas defined in Section 12220 of the Water Code.

(o) "Stewardship" means the development and implementation of major programs for the protection, rehabilitation, restoration, and enhancement of basic natural systems, cultural resources, and outstanding scenic features. It does not mean maintenance or alteration of facilities or physical installations for which the original purpose was not protection of resources.

23003. For the purposes of the State General Obligation Bond Law (Chapter 4 (commencing with Section 16720) of Part 3 of Division 4 of Title 2 of the Government Code), "state grant" or "state grant monies" means moneys received by the state from the sale of bonds authorized by law for the purposes of this division which are available for grants to counties, cities, cities and counties,

districts, public agencies, joint powers agencies and nonprofit organizations.

CHAPTER 2. CALIFORNIA SAFE NEIGHBORHOOD PARKS, GANG PREVENTION,
TREE PLANTING, WILDLIFE, COASTAL, SENIOR CENTER, PARK, WETLANDS, RIVERS,
FOREST AND AGRICULTURAL LAND CONSERVATION PROGRAM OF 1994

23005. *Californians have a right to enjoy safe neighborhood parks, free of gang violence and drug influence. Planting trees in our cities improves the quality of life for all Californians and brings park and open space benefits to urban areas. Creating urban, suburban, and rural parks, and conserving lands on the Pacific coast, along rivers and streams, on lakes and bays, and in forests, deserts, and valleys, enables Californians to enjoy the benefits of the natural environment, open spaces, agricultural lands, and recreational areas. These benefits include expanded recreational opportunities, improved quality of life, cleaner air and water; scenic, cultural and educational experiences; and the protection of wildlife, native plants, and their habitats. It is in the public interest to provide opportunities for people to enjoy, appreciate, and directly experience the extraordinary diversity of California's environment.*

23006. *It is the intent of the people of California in enacting this division that it be carried out in the most expeditious manner possible, and that all state and local officials implement this division to the fullest extent of their authority. It is the intent of the people of California in enacting this division that additional funding sources for preservation of forests, wildlife habitat, coastal areas and natural lands be developed, and that the funds provided by this division augment and not be used to supplant other existing funding sources for natural land acquisition.*

23007. *All money deposited in the fund shall be available for expenditure for the purposes set forth below, in amounts not to exceed the following:*

DEPARTMENT OF PARKS AND RECREATION

(a) Nine hundred twenty-five million six hundred seventy-six thousand dollars (\$925,676,000) to the Department of Parks and Recreation for acquisition and restoration of parklands, wildlife habitat, coastal and inland areas, and natural lands in California, and for grants to local agencies and nonprofit organizations, in accordance with the following schedule:

(1) Seven million dollars (\$7,000,000) for the costs of administering paragraphs (6) and (7).

(2) Twenty-four million six hundred nine thousand dollars (\$24,609,000) for the acquisition of natural lands within, near, and adjacent to existing state park units, and for the creation of new units.

(3) Eighty-three million dollars (\$83,000,000) for the development, rehabilitation, restoration, or stewardship of real property in the state park system and for museums, including planning and implementation, in accordance with the following schedule:

(A) Twenty-two million dollars (\$22,000,000) for coastal resources.

(B) Twenty million dollars (\$20,000,000) for inland resources and for lakes, reservoirs, and waterways.

(C) Two million dollars (\$2,000,000) for interpretive facilities for volunteer programs.

(D) Five million dollars (\$5,000,000) for stewardship of cultural resources.

(E) Eight million dollars (\$8,000,000) for trails.

(F) Ten million dollars (\$10,000,000) for stewardship of the public investment in the protection of the critical natural and scenic features of the state park system.

(G) Twelve million dollars (\$12,000,000) for state museums, according to the following schedule:

(i) Ten million dollars (\$10,000,000) as a grant to a qualified nonprofit organization for the Museum of Latino History, as authorized by Chapter 8.8 (commencing with Section 8740) of Division 1 of Title 2 of the Government Code. Section 8742 of the Government Code does not apply to any grants made pursuant to this clause.

(ii) One million dollars (\$1,000,000) for the California State Indian Museum.

(iii) One million dollars (\$1,000,000) for the State Railroad Museum.

(H) Four million dollars (\$4,000,000) for historical resources.

(4) One million dollars (\$1,000,000) for the acquisition and development of winter recreation facilities, including facilities in Southern California, pursuant to the SNO-PARK program (Chapter 1.27 (commencing with Section 5091.01) of Division 5).

(5) One hundred ninety-three million one hundred seventy-five thousand dollars (\$193,175,000) to the Department of Parks and Recreation for acquisition, restoration and development of natural lands and other land and water areas as specifically provided in this paragraph to expand the state park system in accordance with the following schedule:

SOUTHERN CALIFORNIA

(A) Sixteen million dollars (\$16,000,000) for acquisition of natural lands to expand Anza Borrego Desert State Park according to the following schedule:

(i) Twelve million dollars (\$12,000,000) for purchase of inholdings and lands immediately adjacent to the park, including Sentenac Marsh. Up to one million five hundred thousand dollars (\$1,500,000) of this amount may be spent for preparation of a resource inventory, a resource management plan, and a general plan for the park.

(ii) Two million dollars (\$2,000,000) for acquisition of Mesquite Bosque in Borrego Valley.

(iii) Two million dollars (\$2,000,000) for acquisition of native wildflower areas in Borrego Valley.

(B) One million five hundred thousand dollars (\$1,500,000) for the acquisition and enhancement of culturally significant sites near Palomar Mountain State Park, such as the historic homesite of African American pioneer Nate Harrison.

(C) Two million dollars (\$2,000,000) for acquisition of natural land to expand Rancho Cuyamaca State Park and complete a trails system.

(D) Eight million dollars (\$8,000,000) for the development of the California Citrus State Historic Park in cooperation with the City of Riverside.

(E) Three million nine hundred thousand dollars (\$3,900,000) for the acquisition of natural lands, including coastal sage scrub habitat, to expand Chino Hills State Park in the vicinity of the City of Brea, with highest priority given to lands north of Carbon Canyon Road.

(F) Five million dollars (\$5,000,000) as a grant to the Museum of Science and Industry for land acquisition and improvements within Exposition Park in Los Angeles County, including development and restoration of lands for park, recreational and open space use, and for walkways, tree planting, and landscape improvements in accordance with the Exposition Park Master Plan, and improve-

ments to the California Museum of Science and Industry. Of this amount, no less than five hundred thousand dollars (\$500,000) shall be spent on improvements to the Afro-American Museum, and no less than five hundred thousand dollars (\$500,000) shall be spent on improvements to outdoor facilities at Exposition Park to improve the compatibility of the park with the surrounding neighborhood.

(G) One million dollars (\$1,000,000) to expand the visitor center at the Antelope Valley Poppy Preserve.

(H) Two million dollars (\$2,000,000) for the expansion of Point Mugu State Park, and for the acquisition of lands along Boney Ridge.

(I) Five million dollars (\$5,000,000) for the acquisition of lands and mineral rights for the protection and expansion of Bodie State Historic Park. If these funds are not used within six years of the effective date of this division, they may be transferred to the Wildlife Conservation Board for the acquisition of natural lands within Mono County named in paragraph (28) of subdivision (b), or if those projects are complete, for other lands which meet the criteria of the Habitat Conservation Program pursuant to Article 2 (commencing with Section 2720) of Chapter 7.5 of Division 3 of the Fish and Game Code, excepting Sections 2720 and 2722 of, subdivision (a) of Section 2723 of, and Sections 2724 and 2729 of, the Fish and Game Code.

CENTRAL VALLEY

(J) One million dollars (\$1,000,000) for the acquisition of prehistoric pictograph, petroglyph, and archaeological sites in the Tehachapi Mountains in Kern County.

(K) Five million dollars (\$5,000,000) for the continued acquisition, restoration and development of Colonel Allensworth State Historic Park, including protection of wildlife habitat, and development of a visitor center.

(L) Four million five hundred thousand dollars (\$4,500,000) for the acquisition and preservation of property rich in cultural and natural resources in the foothills of the Sierra Nevada in Tulare County, with preference given to acquisitions on Exeter Rocky Hill and the adjacent Yokohl Valley.

(M) Three million five hundred thousand dollars (\$3,500,000) for the acquisition of a rail right-of-way between Jamestown and Oakdale. The acquisition shall be from a willing seller. If the acquisition cannot be completed by July 1, 2004, the Department of Parks and Recreation shall use the funds for another project interpreting rail transportation in California.

(N) Two million dollars (\$2,000,000) to rehabilitate the B.F. Hastings Building in Old Sacramento State Historic Park.

(O) Three hundred twenty-five thousand dollars (\$325,000) for acquisition of natural lands and wetlands along the eastern area of the Delta Meadows Wetlands Project.

(P) One million five hundred thousand dollars (\$1,500,000) for the acquisition of a trail right-of-way suitable for future excursion rail use between Hood Junction and Locke. If these funds cannot be used for this purpose by July 1, 2004, they shall be transferred to the Wildlife Conservation Board for acquisition of wetlands and natural lands in the lower Stone Lakes Basin in accordance with paragraph (45) of subdivision (b).

(Q) One million eight hundred thousand dollars (\$1,800,000) for the acquisition of land and associated visitor-serving facilities along the South Fork of the American River in the vicinity of Marshall Gold Discovery State Historic Park for the purposes of river access and public recreation.

(R) *One million dollars (\$1,000,000) for the restoration and preservation of archaeological and historical resources at Marshall Gold Discovery State Historic Park, including historical resources relating to mining by the Chinese community.*

(S) *One million seven hundred thousand dollars (\$1,700,000) for the acquisition of natural lands for the expansion of Donner Memorial State Park in Coldstream Valley and Schallenberger Ridge, including preservation of the Emigrant Trail.*

(T) *Two million five hundred thousand dollars (\$2,500,000) for acquisition of prehistoric Native American village mounds in the Sacramento Valley.*

(U) *One million three hundred thousand dollars (\$1,300,000) for acquisition of culturally rich properties and wildlife habitat near Anderson Marsh State Historic Park with first priority given to island properties and second priority given to marsh and lakeshore properties.*

(V) *One million dollars (\$1,000,000) for the acquisition of natural lands on or near Mount Konocti as part of Clear Lake State Park.*

(W) *Five million dollars (\$5,000,000) for natural land acquisition for the South Yuba River Project.*

(X) *Two million dollars (\$2,000,000) for acquisition of land surrounding and containing the historic cabin of African American explorer James Beckwourth in Plumas County.*

MONTEREY BAY

(Y) *Ten million dollars (\$10,000,000) for acquisitions within and adjacent to Big Basin Redwoods State Park and Castle Rock State Park in the Santa Cruz Mountains.*

(Z) *Ten million dollars (\$10,000,000) for land acquisition to create and expand the Monterey Bay State Seashore, and for grants to local agencies for those purposes.*

(AA) *Ten million dollars (\$10,000,000) for land acquisition to expand Point Lobos State Preserve, and for grants to local agencies for that purpose, provided that if such funds are not expended by July 1, 1996, they may be used to acquire coastal watershed lands elsewhere in Monterey County.*

(BB) *Two million six hundred thousand dollars (\$2,600,000) for the acquisition of open space in the vicinity of Pinnacles National Monument and Fremont Peak State Park.*

BAY AREA

(CC) *Fifteen million dollars (\$15,000,000) for the acquisition of Bear Creek Redwoods State Park in Santa Clara County, provided that, if the State has not acquired the property by June 1, 1998, these funds shall be granted to the Midpeninsula Regional Open Space District for the acquisition of this or other property eligible to be acquired pursuant to this division.*

(DD) *Ten million dollars (\$10,000,000) for acquisitions of natural lands to expand Henry Coe State Park, and for grants to the Santa Clara County Open Space Authority to create open space preserves that include oak and sycamore woodlands, wildlife corridors, and riparian zone in the vicinity of Henry Coe State Park.*

(EE) *Two million dollars (\$2,000,000) for the expansion of Butano State Park, linking Butano and Cascade Ranch State Parks, and acquiring land along lower Gazos Creek.*

(FF) One million dollars (\$1,000,000) for the restoration of wetlands at Candlestick Point State Park.

(GG) Five million dollars (\$5,000,000) for grants to nonprofit organizations for the improvement of the California Academy of Sciences. These funds shall be used only to repair, renovate and modernize existing facilities at the Academy, and not to construct new buildings or expand existing buildings.

(HH) Ten million dollars (\$10,000,000) for acquisition and restoration of natural lands generally guided by the East Bay Shoreline feasibility study prepared by the Department of Parks and Recreation. These funds may be granted to the East Bay Regional Park District for these purposes.

(II) Ten million dollars (\$10,000,000) for the expansion of Mount Diablo State Park and for grants to the East Bay Regional Park District to expand nearby regional parklands to include oak woodlands, grasslands, or related wildlife corridors in the vicinity of Mount Diablo State Park.

(JJ) Five hundred thousand dollars (\$500,000) for the preservation and restoration of historical structures and artifacts relating to Asian immigration at Angel Island State Park.

(KK) Two million dollars (\$2,000,000) for the expansion of Bothe-Napa Valley State Park and Robert Louis Stevenson State Park.

NORTH COAST

(LL) One million five hundred thousand dollars (\$1,500,000) for acquisition of land to expand Mendocino Headlands State Park, including lands containing redwoods, lands along the estuary of the Big River, and coastal lands.

(MM) Fifty thousand dollars (\$50,000) for the stewardship and protection of the cultural and natural resources of the Cloverdale Boulder site in the vicinity of Comminsky Station Road in Mendocino County, or for grants to nonprofit organizations for this purpose.

STATEWIDE

(NN) Twenty-five million dollars (\$25,000,000) for the acquisition and restoration of natural lands to expand the redwood parks of the state park system.

STATE PARKS LOCAL GRANTS

(6) Two hundred seventy million dollars (\$270,000,000) to the Department of Parks and Recreation for grants to local agencies in accordance with the following schedule:

(A) One hundred twenty-five million dollars (\$125,000,000) for allocation to counties, cities, and districts on the basis of population.

(B) Seventy-five million dollars (\$75,000,000) for allocation pursuant to the Roberti-Z'berg-Harris Urban Open-Space and Recreation Program Act (Chapter 3.2 commencing with Section 5620) of Division 5).

(C) Ten million dollars (\$10,000,000) for historical resource preservation projects.

(D) Fifteen million dollars (\$15,000,000) for hiking, bicycling, jogging and equestrian trails.

(E) Five million dollars (\$5,000,000) for archaeological resource preservation projects.

(F) Fifteen million dollars (\$15,000,000) for grants to community conservation corps.

(G) Ten million dollars (\$10,000,000) for competitive grants to public agencies and nonprofit organizations outside Los Angeles County for land acquisition for, and for construction, development and rehabilitation of, at-risk youth recreation facilities.

(H) Fifteen million dollars (\$15,000,000) for grants to local agencies for the acquisition, improvement or restoration of land and water areas for river parkways.

(7) Three hundred forty-six million eight hundred ninety-two thousand dollars (\$346,892,000) to the Department of Parks and Recreation for grants to local agencies according to the following schedule:

SOUTHERN CALIFORNIA

(A) Five million dollars (\$5,000,000) to San Diego County for land acquisition, development and enhancement of Sweetwater River Regional Park and Open Space Preserve.

(B) One million dollars (\$1,000,000) to the City of San Diego for the expansion of Soledad Open Space Park. If the park expansion is completed without the use of all or part of these funds, the remaining funds may be used for other open space acquisitions within the City of San Diego.

(C) One million one hundred twenty-seven thousand dollars (\$1,127,000) to Imperial County in accordance with the following schedule:

(i) Two hundred thirty-two thousand dollars (\$232,000) for the acquisition of lands for public access to the Colorado River in the vicinity of the City of Palos Verdes Estates.

(ii) One hundred fifteen thousand dollars (\$115,000) for the acquisition of land to expand the Weist Lake park facility.

(iii) Seven hundred eighty thousand dollars (\$780,000) for the preservation and restoration of Pioneer Park and the relocation of Heber Agricultural College.

(D) Four hundred thirty thousand dollars (\$430,000) to the City of Brawley for development of the Brawley Three Trails System.

(E) Twenty-nine million five hundred thousand dollars (\$29,500,000) to San Bernardino County according to the following schedule:

(i) Twenty million dollars (\$20,000,000) for acquisition of land and agricultural conservation easements within the Chino Agricultural Preserve, including grants by the county to nonprofit organizations administering the San Bernardino Agricultural and Open Space Acquisition and Preservation Program.

(ii) Five million dollars (\$5,000,000) for acquisition of coastal sage scrub and native chaparral habitat in the Crafton Hills.

(iii) Four million five hundred thousand dollars (\$4,500,000) for acquisition and development of the Santa Ana River Trail in San Bernardino County, with highest priority for acquisition.

(F) Nine hundred fifty thousand dollars (\$950,000) to the Rim of the World Recreation and Park District according to the following schedule:

(i) Four hundred fifty thousand dollars (\$450,000) for acquisition of sensitive mixed forest land containing critical habitat in the area known as Strawberry Peak.

(ii) Five hundred thousand dollars (\$500,000) for acquisition of natural lands known as Valley of Enchantment.

(G) Two million dollars (\$2,000,000) to the City of Riverside according to the following schedule:

(i) One million dollars (\$1,000,000) for land acquisition and restoration at Sycamore Canyon Wilderness Park.

(ii) *One million dollars (\$1,000,000) for landscaping, installation of irrigation facilities, trail construction, and other public access improvements along Victoria Avenue in the vicinity of California Citrus State Historic Park.*

(H) *Five hundred thousand dollars (\$500,000) to the Riverside Corona Resource Conservation District for the acquisition of a citrus farmland demonstration farm in the vicinity of the California Citrus State Historic Park.*

(I) *Four million dollars (\$4,000,000) to the Coachella Valley Mountains Conservancy for allocation as follows:*

(i) *Two million five hundred thousand dollars (\$2,500,000) shall be expended for the Agua Caliente cultural history center.*

(ii) *One million two hundred thirty thousand dollars (\$1,230,000) shall be available for expenditure by the conservancy for a visitor and natural history center serving the Indian Canyons Heritage Park, in consultation with the tribal council of the Agua Caliente Band of Cahuilla Indians regarding the location, design, conservation education programs, and interpretive themes of the center. The conservancy and other sponsors of this project shall attempt to secure matching funds and in-kind donations of land, artifacts, equipment, and other property for the center.*

(iii) *Two hundred seventy thousand dollars (\$270,000) shall be expended for the visitor reception center serving the Santa Rosa Mountains National Scenic Area. The conservancy and other sponsors of this project shall attempt to secure funds and in-kind donations of land, artifacts, equipment, and other property for the center.*

(J) *Nine million five hundred thousand dollars (\$9,500,000) to the Riverside County Regional Park and Open Space District for acquisition of natural lands in the Norco Hills, and, if sufficient additional funds remain, for a wildlife corridor connecting the Norco Hills and the Hidden Valley Wildlife Area in Santa Ana River Regional Park. The district may transfer to the City of Norco, as an addition to Ingalls Park, up to 10 acres of adjacent land acquired in the Norco Hills.*

(K) *Three million five hundred thousand dollars (\$3,500,000) to the City of San Juan Capistrano for acquisition, restoration, and enhancement of cultural resources and creation of an historical and archaeological park in the vicinity of Mission San Juan Capistrano.*

(L) *Nine million five hundred thousand dollars (\$9,500,000) to Orange County according to the following schedule:*

(i) *Two million dollars (\$2,000,000) for the acquisition of land for the expansion of Bolsa Chica Regional Park.*

(ii) *One million five hundred thousand dollars (\$1,500,000) for the expansion and development of Mile Square Regional Park.*

(iii) *Six million dollars (\$6,000,000) for the expansion of Irvine Regional Park.*

(M) *Three hundred fifty thousand dollars (\$350,000) to the City of Lake Forest for the Aliso Creek pedestrian and bicycle bridge.*

(N) *Ten million dollars (\$10,000,000) for competitive grants to public agencies and nonprofit organizations in Los Angeles County for land acquisition, construction, development and rehabilitation of at-risk youth recreation facilities.*

(O) *Ten million dollars (\$10,000,000) for competitive grants to public agencies in Los Angeles County for capital outlay projects for the restoration of parks which are not generally available to the public due to lack of security facilities, gang problems, or other law enforcement problems.*

(P) One million dollars (\$1,000,000) to the City of Gardena for restoration of wetlands habitat and development of visitor-serving facilities at the Willow Wetlands Wildlife Preserve.

(Q) One million dollars (\$1,000,000) to the City of Glendale for development of Deukmejian Wilderness Park, including trails and public access.

(R) Thirty-nine million dollars (\$39,000,000) to the County of Los Angeles according to the following schedule:

(i) Four million dollars (\$4,000,000) for acquisition and development of noncommercial visitor use and access facilities, and renovation of existing facilities at county, state, or city beaches operated by Los Angeles County.

(ii) One million five hundred thousand dollars (\$1,500,000) for improvements at Bonelli Regional Park.

(iii) One million dollars (\$1,000,000) for improvements to the Castaic Lake Recreation Area.

(iv) Seven hundred thousand dollars (\$700,000) for acquisition of land and improvements to Eaton Canyon Park.

(v) Fifteen million dollars (\$15,000,000) for the development, improvement, restoration and rehabilitation of the Hollywood Bowl to be implemented by the Hollywood Bowl Foundation in accordance with the program previously approved by the foundation and the Los Angeles County Department of Parks and Recreation.

(vi) One million dollars (\$1,000,000) for expansion of John Anson Ford Regional Park, or for development and improvement of the park if acquisition is unfeasible.

(vii) Four million dollars (\$4,000,000) for land acquisition and development of Kenneth Hahn State Recreation Area. Acquisition shall only be from willing sellers.

(viii) Four million six hundred thousand dollars (\$4,600,000) for the construction of the Palmdale/Lancaster Sports Complex.

(ix) Two million dollars (\$2,000,000) for acquisition of natural land to expand Placerita Canyon Park.

(x) Three million dollars (\$3,000,000) for recreational improvements in undeveloped and unimproved areas of Santa Fe Dam Regional Park.

(xi) One million dollars (\$1,000,000) for development of recreational facilities at Schabarum Regional Park.

(xii) Two hundred thousand dollars (\$200,000) for improvements and trail development at Vasquez Rocks Regional Park.

(xiii) One million dollars (\$1,000,000) for development, improvement and rehabilitation of Whittier Narrows Regional Park in accordance with the Whittier Narrows Regional Park Plan.

(S) Ten million dollars (\$10,000,000) to the City of Los Angeles for grants according to the following schedule:

(i) Three million dollars (\$3,000,000) for the development, improvement and rehabilitation of existing Housing Authority recreation facilities, and for grants by the city to nonprofit organizations for these purposes.

(ii) One million five hundred thousand dollars (\$1,500,000) for the restoration of the forested area of Elysian Park.

(iii) Four million dollars (\$4,000,000) for expansion of open space in and improvements to park and recreation facilities in Griffith Park.

(iv) One million dollars (\$1,000,000) for improvements at Hansen Dam Recreation Area.

(v) Five hundred thousand dollars (\$500,000) for the restoration and rehabilitation of the historic Chinese building containing the Museum of Chinese American History in Old Chinatown in El Pueblo de Los Angeles Historic Monument, or for grants to nonprofit organizations for this purpose.

(T) Seven million dollars (\$7,000,000) to the City of Long Beach, for grants according to the following schedule:

(i) One million four hundred thousand dollars (\$1,400,000) for the expansion and development of Martin Luther King, Jr. Park.

(ii) Three hundred thousand dollars (\$300,000) for the restoration of Rancho Los Cerritos.

(iii) Two hundred thousand dollars (\$200,000) for the restoration of Rancho Los Alamitos, including the historic gardens.

(iv) One million dollars (\$1,000,000) for erosion control landscaping in Bluff Park.

(v) One million six hundred thousand dollars (\$1,600,000) for expansion and development of Admiral Kidd Park.

(vi) Two million dollars (\$2,000,000) to implement the civic gardens network of pocket parks in inner city areas, in conjunction with the neighborhood improvement strategy program and according to the Civic Gardens Foundation Master Plan.

(vii) Five hundred thousand dollars (\$500,000) for the expansion, restoration, and development of City of Long Beach parks of regional significance and for restoration of historical facilities including, but not limited to, other projects listed in this subparagraph.

(U) One million dollars (\$1,000,000) to the City of Montebello for the acquisition of land for the expansion of Chet Holifield Park.

(V) One million five hundred thousand dollars (\$1,500,000) to the City of Torrance for the restoration of Madrona Marsh.

(W) Three million dollars (\$3,000,000) for a grant to the City of Ojai, and for grants by the city to nonprofit organizations, for the acquisition of natural lands in the vicinity of Besant Meadows and Meiners Oaks.

(X) Two million dollars (\$2,000,000) to the Conejo Open Space Conservation Agency for acquisition of open space and natural lands. The acquisition shall be in conformance with the Open Space Element of the City of Thousand Oaks, and shall be done in consultation with the Conejo Recreation and Park District.

(Y) Two million dollars (\$2,000,000) to the City of Ventura for acquisition and development of a trail along the Ventura River between the Ojai Valley Trail and the Omer Rains Trail.

(Z) Two hundred eighty thousand dollars (\$280,000) to Santa Barbara County for construction of portions of the Coastal Trail located at the El Capitan Ranch, east of El Capitan State Beach.

CENTRAL VALLEY

(AA) Two million dollars (\$2,000,000) to the City of Bakersfield for acquisition and preservation of natural land in the Kern River Parkway.

(BB) Four hundred thousand dollars (\$400,000) to Mariposa County for the development of the Mariposa Creek Parkway, including acquisition of land and easements for trail development.

(CC) One million dollars (\$1,000,000) for a grant to the City of Modesto to acquire and restore lands for riparian habitat, associated buffer areas, and recreation sites along the Tuolumne River and its tributaries.

(DD) One million two hundred thousand dollars (\$1,200,000) to Yolo County according to the following schedule:

(i) Four hundred fifty thousand dollars (\$450,000) for the development of a trail system along levees in the eastern portion of Yolo County.

(ii) Four hundred fifty thousand dollars (\$450,000) for the acquisition and development of a trail along Putah Creek between Solano Diversion Dam and Monticello Dam. The trail shall be constructed so as not to damage existing riparian and wildlife habitat and Putah Creek fishery values.

(iii) Three hundred thousand dollars (\$300,000) for the acquisition and protection of lands adjacent to valley oaks in Yolo County. Provision for public access consistent with the goal of habitat preservation shall be provided by the county.

(EE) One million dollars (\$1,000,000) to the Orangevale Recreation and Park District for the purchase of land in the vicinity of Snipes-Pershing Ravine Park.

(FF) Three million dollars (\$3,000,000) to the City of Sacramento for acquisition of land, habitat restoration and trail development within the Sacramento River Parkway.

(GG) Three hundred thousand dollars (\$300,000) to the Sunrise Recreation and Park District for preservation and enhancement of native vegetation, including water conserving irrigation, at Antelope Community Park.

(HH) Four million dollars (\$4,000,000) to Sacramento County according to the following schedule:

(i) One million five hundred thousand dollars (\$1,500,000) for land acquisition along the Dry Creek Parkway.

(ii) Two million five hundred thousand dollars (\$2,500,000) for the acquisition of land along the American River Parkway.

(II) One million dollars (\$1,000,000) to the Arcade Creek Recreation and Park District for the acquisition and development of trail easements for a nature trail system located in the northern unincorporated area of Sacramento County.

(JJ) Three hundred fifty thousand dollars (\$350,000) to the Elk Grove Community Services District for acquisition and development of a hiking, bicycle, and equestrian trail along Laguna Creek.

(KK) One million dollars (\$1,000,000) to El Dorado County for the El Dorado Trail in the vicinity of Placerville.

(LL) One hundred fifty thousand dollars (\$150,000) to the El Dorado Hills Community Services District for development of the New York Creek Trail.

(MM) Five hundred thousand dollars (\$500,000) to the City of Auburn, and for grants by the city to nonprofit organizations, for acquisition of land and development of the Auburn Ravine Trail.

(NN) Five hundred thousand dollars (\$500,000) to Placer County, and for grants by the county to a nonprofit organization for acquisition of land along Dry Creek, especially in and near the City of Roseville, for the Dry Creek Parkway.

(OO) One million five hundred thousand dollars (\$1,500,000) to Lake County for acquisition of land in the vicinity of Rodman Slough.

(PP) One million dollars (\$1,000,000) to Nevada City, or for a grant by the city to a nonprofit organization for the acquisition of a right-of-way for a trail along Deer Creek in and near Nevada City.

(QQ) Five million dollars (\$5,000,000) to the City of Redding for the construction of a center to interpret the Sacramento River.

MONTEREY BAY

(RR) One million dollars (\$1,000,000) to the Monterey Peninsula Regional Park District to expand and develop the Garland Ranch Regional Park.

(SS) Five million dollars (\$5,000,000) to the City of Santa Cruz according to the following schedule:

(i) Four million dollars (\$4,000,000) for acquisition of natural lands to expand the Santa Cruz Greenbelt, and for restoration of Antonelli Pond and the Moore Creek Corridor, including acquisitions of trail corridors.

(ii) One million dollars (\$1,000,000) for acquisition of natural lands and restoration of riparian habitat along the San Lorenzo River Parkway.

BAY AREA

(TT) Fifteen million dollars (\$15,000,000) for grants to districts, local agencies, and nonprofit organizations for the acquisition of lands for the Bay Area Ridge Trail in Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo, Santa Clara, Solano, and Sonoma Counties, and for trail development. Grants shall take into consideration the threat of development, commitment of agencies to build and maintain the trail, level of community support, and local and regional recreational and resource values. Up to 10 percent of these funds may be used for development of the trail and associated amenities. No less than five hundred thousand dollars (\$500,000) shall be expended in each county in which remaining segments of the trail need to be acquired.

(UU) Nine hundred thousand dollars (\$900,000) to Santa Clara County for protection and restoration of archaeological, historic and riparian resources at Chitactac-Adams Heritage County Park.

(VV) Three million dollars (\$3,000,000) to the City of San Jose for acquisition of natural lands and development of the Guadalupe/Coyote riparian corridors, trails, and greenways system.

(WW) Fifteen million dollars (\$15,000,000) to the Santa Clara County Open Space Authority for acquisition of natural lands in southern and eastern Santa Clara County, including hillside and riparian lands close to the Cities of San Jose, Milpitas, Santa Clara, Campbell, Morgan Hill, and Gilroy. Of this amount, no less than five million dollars (\$5,000,000) shall be spent to acquire natural lands with significant threatened native plant communities and habitat for rare animal species along the Silver Creek Fault serpentine lands.

(XX) Thirty-six million dollars (\$36,000,000) to the Midpeninsula Regional Open Space District according to the following schedule:

(i) Thirty million dollars (\$30,000,000) for expansion of Pulgas Ridge, Purisima Creek Redwoods, El Corte de Madera, La Honda Creek, Windy Hill, Monte Bello, St. Joseph's Hill, Rancho San Antonio, Saratoga Gap, Fremont Older, El Sereno, Russian Ridge, Skyline Ridge, Long Ridge, and Sierra Azul Open Space Preserves, and for the establishment of Albert Canyon Open Space Preserve and other property eligible to be acquired by the district pursuant to this chapter.

(ii) Six million dollars (\$6,000,000) for establishment of the Kings Mountain Recreation Area and Open Space Preserve in San Mateo County, provided that any unspent funds under this project remaining after June 1, 1997, may be spent by the district on any other property eligible to be acquired under this chapter.

(YY) Five million dollars (\$5,000,000) for a grant to the County of Santa Clara, the Midpeninsula Regional Open Space District, or both the county and the district, for acquisition of properties in the Jacques Ridge area as additions to Almaden Quicksilver County Park and Sierra Azul Open Space Preserve, provided that any unspent funds under this project remaining after June 1, 1998,

may be spent jointly by the county and the district to acquire park and open space lands that attempt to emphasize the preservation of threatened native plant communities lying within the district's sphere of influence.

(ZZ) One million dollars (\$1,000,000) to the City of Belmont for development of the Open Space Trail System, Western Hills Area.

(AAA) Five million four hundred fifty thousand dollars (\$5,450,000) to the City and County of San Francisco according to the following schedule:

(i) One hundred thousand dollars (\$100,000) for the restoration of wetlands at India Basin, and for providing public access to San Francisco Bay.

(ii) Two million dollars (\$2,000,000) for the acquisition and restoration of natural lands for open space purposes in San Francisco.

(iii) Six hundred thousand dollars (\$600,000) for the restoration of natural lands and parklands at Golden Gate Park, Twin Peaks, Glen Canyon, Mt. Davidson, Bayview Hill, McLaren Park, Grandview Park, and Lake Merced. As much of the restoration as possible shall be accomplished through a contract with the San Francisco Conservation Corps or other nonprofit organizations.

(iv) One million dollars (\$1,000,000) for the development of the Saint Mary's Square Playground.

(v) Five hundred thousand dollars (\$500,000) for the development of a park at Seventh and Harrison Streets.

(vi) Five hundred thousand dollars (\$500,000) for the development of the Tenderloin Preschool Playground.

(vii) Seven hundred fifty thousand dollars (\$750,000) for parks at 23rd and Treat and 2460 Harrison Streets.

(BBB) Five million dollars (\$5,000,000) to the City of Albany for acquisition of natural lands and open space on Albany Hill.

(CCC) One hundred twenty-five thousand dollars (\$125,000) to the Livermore Area Recreation and Park District for acquisition of land adjacent to Sycamore Grove Regional Park, extension and construction of trails along Arroyo Del Valle westward to the district's west terminus of Isabel Avenue, and to link nonmotorized users with East Bay Regional Park District parks, trails and other facilities.

(DDD) Thirty-eight million five hundred thousand dollars (\$38,500,000) to the East Bay Regional Park District in accordance with the following schedule:

(i) Ten million dollars (\$10,000,000) for San Francisco Bay urban shoreline parks, to acquire shoreline habitat, including wetlands, and to provide additional public shoreline park facilities, parklands, or public access to shoreline areas in Contra Costa and Alameda Counties. Expenditures shall be made within the following areas: Carquinez Strait, the Delta, Hayward to Coyote Hills, Miller Knox Regional Shoreline, North Richmond Shoreline, and other areas of regional significance.

(ii) Three million dollars (\$3,000,000) for the San Francisco Bay Trail for the purchase of properties for trail facilities and shoreline corridors, including, but not limited to, properties in the following areas: San Leandro-Oakland Shoreline, Union City Shoreline, and West Contra Costa Shoreline.

(iii) Ten million dollars (\$10,000,000) for ridgeland parks in Alameda and Contra Costa Counties to be additions to existing regional park lands with emphasis on preservation of native oak woodlands and scenic natural areas, including, but not limited to, the following existing parklands: Bishop Ranch Open Space-San Ramon/Dublin Hills, Black Diamond Mines, Briones, Garin/Dry Creek Parks, Las Trampas, Morgan Territory, Pleasanton Ridge, and Wildcat Canyon/San Pablo Ridge.

(iv) Four million dollars (\$4,000,000) for acquisition of significant wildlife corridors in Alameda and Contra Costa Counties where opportunities exist to connect significant public ownerships for the purpose of preserving wildlife corridors and habitat for the San Joaquin kit fox, Alameda whipsnake, and other important wildlife species, including, but not limited to, habitat near Black Diamond, Ohlone Wilderness, and Sibley/Huckleberry Regional Parks.

(v) Three million dollars (\$3,000,000) for the acquisition of trail corridors for the Alameda and Contra Costa Counties sections of the Bay Area National Scenic Ridge Trail, including, but not limited to, trails between the following regional parks: Garin to Chabot, Vargas to Mission Peak, and Wildcat to Martinez.

(vi) Two million five hundred thousand dollars (\$2,500,000) for the acquisition of open space land on the Vargas Plateau from willing sellers.

(vii) One million dollars (\$1,000,000) for the acquisition of natural lands from willing sellers on Walpert Ridge within the City of Hayward. If development precludes acquisition within the City of Hayward, the funds shall be spent for acquisition of other parks of the northern section of Walpert Ridge.

(viii) Five million dollars (\$5,000,000) for acquisition of natural land along Dunsmuir Ridge and in the vicinity of the western boundary of Anthony Chabot Regional Park.

(EEE) Five million dollars (\$5,000,000) for the acquisition of land from willing sellers along Pleasanton Ridge. These funds may be granted to the East Bay Regional Park District, the City of Pleasanton, or a combination of the city and the district as determined by the Department of Parks and Recreation.

(FFF) One million eight hundred thirty thousand dollars (\$1,830,000) to the City of Pinole according to the following schedule:

(i) Eighty thousand dollars (\$80,000) for the completion of the Pinole Ridge Trail.

(ii) One million seven hundred thousand dollars (\$1,700,000) for the completion of the Shoreline Trail along San Pablo Bay.

(iii) Fifty thousand dollars (\$50,000) for the completion of a trail from Pinole Valley Park to land owned by the East Bay Regional Park District.

(GGG) Three million dollars (\$3,000,000) for a matching grant to the Pleasant Hill Recreation and Park District for the acquisition of land from the Mount Diablo Unified School District for a regional park. If the matching funds cannot be obtained and the project cannot be completed by July 1, 1998, these funds shall be transferred to the East Bay Regional Park District for acquisition of park land which serves the Pleasant Hill Area.

(HHH) Two million two hundred fifty thousand dollars (\$2,250,000) to the City of Novato for the preservation of open space near San Marin High School, providing connections to the Bay Area Ridge Trail.

(III) Three million five hundred thousand dollars (\$3,500,000) to the Marin County Open Space District according to the following schedule:

(i) Three million dollars (\$3,000,000) for the acquisition of natural lands on Loma Alta, Mt. Burdell, Little Mountain, Big Rock Ridge, San Geronimo Ridge, Northridge, Tiburon Ridge, bayfront lowlands, and other wetlands, wildlife habitat, and natural lands in accordance with the Environmental Quality and Open Space Elements of the Marin Countywide Plan.

(ii) Five hundred thousand dollars (\$500,000) for acquisition of parkland from a willing seller or sellers for a regional park in the Ross Valley, near the Cities of Fairfax, San Anselmo, and Ross. If these funds cannot be used for this purpose by July 1, 1997, they may be used for the purposes of clause (i).

(JJJ) Six million dollars (\$6,000,000) for a grant to the County of Marin for preservation of, and for grants by the county to qualified nonprofit organizations for preservation of, agricultural lands in the Marin County coastal zone and inland rural corridor in accordance with the Marin County Agricultural Land Preservation Program. These funds shall be used to acquire agricultural conservation easements.

(KKK) Two million dollars (\$2,000,000) to the City of Mill Valley, for grants from the city to local nonprofit organizations for the acquisition of natural lands on the ridges and canyons of Mount Tamalpais in the following areas: up to six hundred fifty thousand dollars (\$650,000) in Blithedale Canyon for lands along the former Scenic Railway Grade and creek; up to two hundred thousand dollars (\$200,000) on Tenderfoot Trail; up to two hundred fifty thousand dollars (\$250,000) for lands on Warner Ridge; up to three hundred thousand dollars (\$300,000) for lands known as Three Wells along Old Mill Creek; up to six hundred thousand dollars (\$600,000) for lands on the slope of Mt. Tamalpais below the double bow knot of the former Scenic Railway. Acquisitions shall be consistent with the Open Space Elements in the Marin Countywide Plan or the Mill Valley General Plan or both. If any of the lands described above are not available, the funds shall be used for any of the other projects named above. Any remaining funds shall be used for acquisition of natural lands consistent with the Mill Valley General Plan.

(LLL) Five hundred thousand dollars (\$500,000) to Napa County for the expansion of Skyline Park near the City of Napa.

(MMM) Eight hundred thousand dollars (\$800,000) to the Sonoma County Regional Park for the acquisition of natural lands at Cloverdale and Taylor Mountain Regional Parks.

(NNN) Six million dollars (\$6,000,000) to the City of Fairfield, and for grants by the City of Fairfield to nonprofit organizations, according to the following schedule:

(i) Three million dollars (\$3,000,000) for acquisition of land or conservation easements within the Fairfield/Vacaville Greenbelt in accordance with the General Plan of the City of Fairfield.

(ii) One million five hundred thousand dollars (\$1,500,000) for acquisition of natural lands, wetland restoration and enhancement, and other public improvements on lands adjacent to waterways within the City of Fairfield in accordance with the General Plan of the City of Fairfield.

(iii) One million five hundred thousand dollars (\$1,500,000) for acquisition of land or conservation easements within the Jepson Prairie, in accordance with the Jepson Prairie Project Investigation Update, dated June 1992, pursuant to Resolution Chapter 86 of the Statutes of 1991.

(OOO) Five million dollars (\$5,000,000) to the Tri-Cities and County Regional Park and Open Space Group (a Solano County joint exercise of powers agency) or its successor in interest, and for grants by the group to nonprofit organizations, for acquisition of lands and conservation easements within the Management Area of the Tri-Cities and County Regional Park and Open Space Group.

(PPP) One million dollars (\$1,000,000) to the Greater Vallejo Recreation District, and for grants by the district to nonprofit organizations, for acquisition and development of the McIntyre Ranch Open Space and Regional Park in accordance with the 1986 Greater Vallejo Recreation Master Plan.

WILDLIFE CONSERVATION BOARD

(b) *Four hundred seventy-eight million five hundred seventy thousand dollars (\$478,570,000) to the Wildlife Conservation Board for programs involving the acquisition, enhancement and restoration of natural lands pursuant to the Wildlife Conservation Law of 1947 (Chapter 4 (commencing with Section 1300) of Division 2 of the Fish and Game Code), and consistent with the purposes of this division, and for grants to local agencies and nonprofit organizations, and for related state administrative costs, in accordance with the following schedule:*

(1) *Fourteen million dollars (\$14,000,000) for the acquisition, enhancement and restoration of natural lands throughout California.*

(2) *Two million dollars (\$2,000,000) for the acquisition of natural lands for the purpose of protecting deer ranges and breeding, nesting, and forage areas for upland game birds.*

(3) *Five million dollars (\$5,000,000) for the restoration of critical stream habitat for salmon and steelhead, including preproject planning and posttreatment evaluation in accordance with the recommendations of the California Advisory Committee on Salmon and Steelhead Trout. These funds shall be deposited in the Fisheries Restoration Account of the Department of Fish and Game, and shall be used only to supplement existing levels of service and not to fund existing levels of service.*

(4) *Three million dollars (\$3,000,000) for the acquisition, development, rehabilitation, or restoration of real property for wildlife-oriented public use projects.*

SOUTHERN CALIFORNIA

(5) *Forty-five million five hundred thousand dollars (\$45,500,000) for grants to San Diego County according to the following schedule:*

(A) *Six million five hundred thousand dollars (\$6,500,000) for acquisition of sensitive habitat and lands important for the maintenance of biodiversity, and links to other established habitat areas in the Encinitas and southern Carlsbad areas with priority given to the Encinitas Creek and Batiquitos Lagoon watersheds.*

(B) *Eight million dollars (\$8,000,000) for the acquisition of Engelmann oak woodland adjacent to the Cleveland National Forest.*

(C) *Five million dollars (\$5,000,000) for the acquisition, restoration and enhancement of natural lands along the San Luis Rey River.*

(D) *Six million dollars (\$6,000,000) for the acquisition, restoration and enhancement of riparian habitat and natural lands along the Santa Margarita River and its tributary drainages. Funds from this allocation may be used to purchase natural lands in Riverside County to be owned by Riverside County or a nonprofit organization.*

(E) *Ten million dollars (\$10,000,000) for the acquisition, restoration and enhancement of natural lands in the Tijuana River Valley. The acquisition program shall include the preservation of wetlands, uplands, and archaeological and cultural resources.*

(F) *Ten million dollars (\$10,000,000) for acquisition of natural lands at Volcan Mountain.*

(6) *Ten million dollars (\$10,000,000) for a grant to the City of San Diego for acquisition of coastal sage scrub and other sensitive habitat on Del Mar Mesa.*

(7) *Five million dollars (\$5,000,000) for the acquisition of natural lands in the vicinity of Lake Cuyamaca.*

(8) Two million dollars (\$2,000,000) for the acquisition of natural lands and wetlands at and near San Sebastian Marsh and San Felipe Creek in Imperial County, with priority on acquiring wetlands and riparian habitat.

(9) Thirteen million five hundred thousand dollars (\$13,500,000) for grants to the Riverside County Regional Park and Open Space District for the acquisition and restoration of natural lands for the Santa Rosa Plateau-Murrieta Creek Project according to the following schedule:

(A) Eight million dollars (\$8,000,000) for the acquisition of natural lands as additions to the Santa Rosa Plateau Ecological Reserve.

(B) Three million dollars (\$3,000,000) for acquisitions along Murrieta Creek, to its confluence with the Santa Margarita River, and along Cole Canyon Creek to protect riparian areas and provide public access that bypasses sensitive natural areas.

(C) Five hundred thousand dollars (\$500,000) for the acquisition of conservation easements and other interests to provide for wildlife corridors connecting the Santa Rosa Plateau and other habitat lands.

(D) Two million dollars (\$2,000,000) for allocation to the highest priority project specified in subparagraphs (A), (B), and (C) as determined by the district, or for restoration of native vegetation on any lands acquired pursuant to this paragraph.

(10) One million five hundred thousand dollars (\$1,500,000) for a grant to the City of Hemet for acquisition of natural lands and revegetation in the Lower San Jacinto Valley Vernal Pool and Rare Plant Reserve and for related trail construction.

(11) Six million dollars (\$6,000,000) to acquire, restore, and establish wetlands and associated lands in the Northern San Jacinto Valley in Riverside County, with highest priority on acquiring Mystic Lake.

(12) Five million dollars (\$5,000,000) as a grant to the Riverside County Habitat Conservation Agency for the acquisition of natural lands in the vicinity of the Estelle Mountain Ecological Reserve and for wildlife corridors connecting thereto.

(13) Six million dollars (\$6,000,000) as a grant to the Riverside County Habitat Conservation Agency for the acquisition of natural lands in the Box Springs Mountain to Badlands Wildlife Corridor.

(14) Five million dollars (\$5,000,000) as a grant to the Riverside County Regional Park and Open Space District for the acquisition of natural lands as additions to the Roy E. Shipley Natural Reserve, the Lake Skinner Natural Reserve, and the Cactus Valley Natural Reserve, and for wildlife corridors.

(15) Two million five hundred thousand dollars (\$2,500,000) for acquisition of Whitewater River/Mission Creek watershed lands and diverse large mammal habitat ranging from Mojave Desert to coniferous pine forest in the San Geronio Wilderness Addition and San Bernardino Mountains.

(16) Ten million dollars (\$10,000,000) for the acquisition of alluvial sage scrub habitat and wetlands in western San Bernardino County near the San Bernardino National Forest.

(17) Eight million dollars (\$8,000,000) for the acquisition of natural lands in Soquel and Carbon Canyons and nearby natural lands in San Bernardino and Orange Counties. Lands may be acquired only from willing sellers.

(18) Four million dollars (\$4,000,000) for acquisition of Desert Tortoise habitat within the West Mojave Management Plan Area.

(19) Fourteen million dollars (\$14,000,000) for a grant to Orange County for the acquisition of open space and natural lands in the Silverado Canyon, Trabuco Canyon, Verdugo Canyon, Fremont Canyon, San Juan Canyon, and Santiago Canyon areas containing valuable oak woodlands and other native habitat in accordance with the criteria of the Habitat Conservation Program pursuant to Article 2 (commencing with Section 2720) of Chapter 7.5 of Division 3 of the Fish and Game Code, excepting Sections 2720 and 2722 of, subdivision (a) of Section 2723 of, and Sections 2724 and 2729 of, the Fish and Game Code.

(20) Five hundred thousand dollars (\$500,000) for the restoration and revegetation of coastal sage scrub in Orange County. These funds shall not be used to replace funds which would otherwise be obtained for the purposes of environmental mitigation, or from any other source.

(21) Eleven million dollars (\$11,000,000) for acquisition of lands in Coal Canyon and other nearby lands to protect rare, endangered and threatened species and the mountain lion, and to create a wildlife corridor between Chino Hills State Park and the Coal Canyon-Tecate Cypress Ecological Reserve.

(22) Twelve million dollars (\$12,000,000) for the acquisition of Significant Ecological Areas as identified in the Los Angeles County Significant Ecological Area Report. Highest priority shall be given to acquisitions which create wildlife corridors.

(23) Three million dollars (\$3,000,000) for the recovery and restoration, rehabilitation, or acquisition of natural lands along the Santa Clara, San Gabriel, and Los Angeles Rivers or their tributaries.

(24) Three million dollars (\$3,000,000) for the recovery and restoration of native trout habitat in Los Angeles County, to provide high-quality fishing experiences for public enjoyment, and for grants for these purposes to nonprofit organizations with demonstrable expertise in protection and restoration of native trout habitat.

(25) Four million dollars (\$4,000,000) for the acquisition of desert areas within Los Angeles County which generally meet the criteria of the Habitat Conservation Program pursuant to Article 2 (commencing with Section 2720) of Chapter 7.5 of Division 3 of the Fish and Game Code, excepting Sections 2720 and 2722 of, subdivision (a) of Section 2723 of, and Sections 2724 and 2729 of, the Fish and Game Code.

(26) Four million dollars (\$4,000,000) for acquisition of natural lands inland of the coast in Santa Barbara County which generally meet the criteria of Article 2 (commencing with Section 2720) of Chapter 7.5 of Division 3 of the Fish and Game Code, excepting Section 2722 of, subdivision (a) of Section 2723 of, and Sections 2724 and 2729 of, the Fish and Game Code, and the criteria established by this section, and which have been identified by Santa Barbara County as high priority natural lands for acquisition. If the lands identified by the county as high priority prove to be unavailable, the funds shall be used within Santa Barbara County to acquire lands that meet three or more of the following criteria, with preference given to the lands meeting the highest number of criteria: (1) wetlands and/or riparian corridors; (2) sensitive habitat; (3) lands serving as wildlife corridors connecting areas of wildlife habitat; (4) lands adjacent to other permanently dedicated public or private natural lands; or (5) state or county scenic corridors.

(27) One million dollars (\$1,000,000) for the acquisition of wetlands and related natural lands in the vicinity of Owens Lake.

(28) Six million dollars (\$6,000,000) for the acquisition and restoration of natural lands, native forest lands, riparian habitat and wetlands in Mono County. These funds shall be expended in the following order of priority:

(A) Riparian habitat and other property along Green Creek, and habitat along other streams in Mono County which provide habitat for native trout, bald eagles, and waterfowl.

(B) Important wetlands and meadow habitat in the Mono Lake Basin.

(C) Lands in the vicinity of Black Lake.

(29) Five million dollars (\$5,000,000) for the acquisition of natural lands and water storage rights needed to maintain riparian habitat and lake levels at Heenan and Red Lakes, or other lakes in Alpine County.

(30) Thirty thousand dollars (\$30,000) to the Department of Fish and Game for the restoration of trout habitat along the West Fork of the Carson River in Hope Valley and other trout streams in Alpine County.

(31) Three million five hundred thousand dollars (\$3,500,000) for acquisition of natural lands, native forest lands and riparian habitat in and near Hope Valley in Alpine County, with highest priority given to acquiring Bagley Valley. Any funds remaining after March 1, 1995, may be used to acquire natural lands in other areas in Alpine County, or along the Wild and Scenic section of the North Fork of the American River.

CENTRAL VALLEY

(32) Thirteen million dollars (\$13,000,000) for the acquisition of natural lands in the watershed of the South Fork of the Kern River and natural lands critical to protection of biological diversity in the Tehachapi Mountains which generally meet the criteria of Article 2 (commencing with Section 2720) of Chapter 7.5 of Division 3 of the Fish and Game Code, excepting Section 2722 of, subdivision (a) of Section 2723 of, and Sections 2724 and 2729 of, the Fish and Game Code. In the acquisition of lands acquired in the Tehachapi Mountains, first priority shall be given to lands in or near the watershed of the Kern River.

(33) Ten thousand dollars (\$10,000) for grants to the Department of Fish and Game or to nonprofit organizations to provide fencing around burrowing owl habitat near Lake Isabella.

(34) Twelve million dollars (\$12,000,000) for acquisition and restoration of oak and sycamore woodlands, riparian habitat and associated buffer areas along the San Joaquin River from Friant Dam to Highway 99. These funds shall be spent in cooperation with a San Joaquin River Conservancy if such an agency comes into existence.

(35) Four million dollars (\$4,000,000) as a grant to the Grassland Water District for facilities to provide water from the Delta Mendota Canal to the district, and for distribution of water within the district for waterfowl and wetlands preservation purposes.

(36) One million dollars (\$1,000,000) for the acquisition of land and the construction of a Grassland Environmental Education Center; or for grants to public agencies or nonprofit organizations for this purpose.

(37) Ninety-three million dollars (\$93,000,000) to be spent pursuant to the Wildlife Conservation Law of 1947 (Chapter 4 (commencing with Section 1300) of Division 2 of the Fish and Game Code) for the preservation, enhancement, restoration, or establishment, or any combination thereof, of habitat for waterfowl or other wetlands associated wildlife as provided for in the Central Valley Habitat Joint Venture Component of the North American Waterfowl Management Plan and the Inland Wetlands Conservation Program. Preference shall be

given, but not be limited to, projects involving the acquisition of perpetual conservation easements; habitat development projects on lands which will be managed primarily as waterfowl habitat in perpetuity; waterfowl habitat development projects on agricultural lands; installation of fish screens on appropriate wetlands water supply diversions; and programs to establish permanent buffer areas, including, but not limited to, agricultural lands necessary to preserve the acreage and habitat values of existing wetlands. Of this amount, up to five million dollars (\$5,000,000) shall be available for wetland habitat preservation, enhancement, restoration, and development in or contiguous with the Yolo Bypass.

These funds shall be expended in the Tulare, San Joaquin, Delta, Yolo, American, Butte, Sutter, and Colusa Basins.

Notwithstanding Chapter 4.3 (commencing with Section 1400) of Division 2 of the Fish and Game Code, of this amount, up to five million dollars (\$5,000,000) shall be available to the Pacific Coast Joint Venture as a dollar-for-dollar match with other funds. These funds shall be used solely for implementing the California component of the Pacific Coast Joint Venture.

(38) Four million dollars (\$4,000,000) for projects of the Department of Fish and Game for the construction of appurtenances or acquisition of equipment necessary to restore, enhance, preserve, and manage those areas purchased in fee by the state consistent with the Central Valley Habitat Joint Venture Component of the North American Waterfowl Management Plan.

(39) Five hundred thousand dollars (\$500,000) for a grant to Stanislaus County for acquisition and restoration of riparian habitat and oak woodlands along the Tuolumne River as part of La Grange Regional Park and the Joe Domecq Wilderness Area, including trail development and restoration of salmon spawning gravels.

(40) One million dollars (\$1,000,000) for acquisition of riparian habitat along the San Joaquin River in Stanislaus County.

(41) Two million dollars (\$2,000,000) for acquisition of riparian habitat and natural lands along the Tuolumne River and adjacent to La Grange Regional Park in Stanislaus County, including wetlands, riparian habitat, oak woodlands, vernal pools, and salmon spawning grounds.

(42) Two million five hundred thousand dollars (\$2,500,000) for the expansion of the Woodbridge Ecological Reserves.

(43) Two million eight hundred thousand dollars (\$2,800,000) for acquisition of natural lands and easements and riparian habitat, to preserve riparian areas along the Mokelumne River from Highway 99 to Woodbridge Dam. Special emphasis shall be given to the acquisition and restoration of lands which would enhance and restore anadromous fisheries habitat.

(44) One million three hundred thousand dollars (\$1,300,000) for the acquisition of conservation easements on farmland in San Joaquin County which is suitable habitat for Swainson's Hawks, and for Swainson's Hawk nesting habitat.

(45) Eight million dollars (\$8,000,000) for acquisition from willing sellers of wetlands and natural lands as additions to the Stone Lakes Wildlife Refuge.

(46) Six million dollars (\$6,000,000) for acquisition of natural lands, riparian habitat, and associated agricultural lands and natural communities along the Cosumnes River in Sacramento County, in coordination with acquisition projects being undertaken along the river by government agencies and nonprofit organizations.

(47) *Two million six hundred ninety thousand dollars (\$2,690,000) for a grant to the City of Davis according to the following schedule:*

(A) *Five hundred thousand dollars (\$500,000) for the creation of wetlands on the site of historic wetlands.*

(B) *One million dollars (\$1,000,000) for the acquisition of wildlife habitat, with highest priority given to lands along Putah Creek.*

(C) *Eight hundred thousand dollars (\$800,000) to restore oak woodland and upland habitat at Communication Park.*

(D) *Three hundred ninety thousand dollars (\$390,000) for the restoration and protection of wildlife and riparian habitat along Putah Creek.*

(48) *Thirteen million dollars (\$13,000,000) for acquisition and restoration of undeveloped open space land, including natural land and riparian habitat, in the canyon of the South Fork of the American River between Chili Bar and Folsom Reservoir. First priority shall be given to acquisitions which will preserve natural lands threatened by development, especially between Greenwood Creek and Salmon Falls. Lands shall not be acquired between Indian Creek and Greenwood Creek. Acquisitions shall include, but not be limited to, the acquisition of conservation easements. Lands shall only be acquired from willing sellers at fair market value. If requested by the El Dorado County Board of Supervisors, the development of the management plan for the lands acquired shall be in consultation with El Dorado County.*

(49) *Five million dollars (\$5,000,000) for the acquisition of natural lands in western El Dorado County containing rare and unusual communities of native plants. Acquisitions shall include, but not be limited to, the acquisition of conservation easements. Lands shall only be acquired from willing sellers at fair market value. If requested by the El Dorado County Board of Supervisors, the development of the management plan for the lands acquired shall be in consultation with El Dorado County.*

(50) *One million eight hundred thousand dollars (\$1,800,000) for the acquisition of natural lands, riparian habitat and adjacent uplands along the North Fork of the American River upstream of Iowa Hill Bridge, with special emphasis on lands which enhance the values of the Wild and Scenic River section.*

(51) *Three million dollars (\$3,000,000) for acquisition of natural lands and other lands in the vicinity of Grouse Ridge Lakes in Nevada County, with priority given to acquisitions of lake frontage and heavily forested lands.*

(52) *Two million dollars (\$2,000,000) for the acquisition of natural lands, wetlands and uplands in Cold Stream Canyon and Perazzo Meadows in the headwaters of the Little Truckee River.*

(53) *Three million dollars (\$3,000,000) for acquisition of natural lands within the Cache Creek Management Area with priority given to riparian habitat and adjacent uplands.*

(54) *Four million dollars (\$4,000,000) for the purchase from willing sellers of agricultural conservation easements, and for the purchase from willing sellers of land for use as a wildlife and natural habitat preserve in the Sutter Buttes.*

(55) *Two million dollars (\$2,000,000) for the acquisition of riparian habitat and other significant natural areas, leases or exchanges of water rights, and salmon restoration projects along Deer and Mill Creeks in Tehama County.*

(56) *One million five hundred thousand dollars (\$1,500,000) for acquisition of forested land near the Tehama Wildlife Management Area containing significant archaeological, cultural and wildlife resources.*

(57) Twenty million dollars (\$20,000,000) for projects of the Department of Fish and Game to restore native salmon and steelhead on the Sacramento River, with highest priority given to providing California's share of the costs to be borne for the implementation of the Central Valley Restoration Plan pursuant to the Central Valley Project Improvement Act of 1992 (Title 34 of Public Law 102-575).

(58) Ten million dollars (\$10,000,000) for the acquisition and restoration of riparian habitat along the Sacramento River from Keswick downstream to Verona, including the acquisition of agricultural or orchard property which is capable of being restored to riparian habitat. Of this amount, two million dollars (\$2,000,000) shall be spent on expansion of the Battle Creek and Cottonwood Creek Wildlife Areas.

MONTEREY BAY

(59) One million dollars (\$1,000,000) for acquisition of lands containing native grassland and other sensitive biotic communities at risk of being destroyed in Santa Cruz County.

(60) Three million dollars (\$3,000,000) for acquisition of the South Ridge of Quail Hollow Quarry in Santa Cruz County and other lands containing unique native plant habitats, including the Sand Parkland Biotic Community.

(61) One million dollars (\$1,000,000) for the acquisition, restoration and protection of wetlands, including associated uplands habitat, in the greater Watsonville Slough System.

(62) One million five hundred thousand dollars (\$1,500,000) to acquire parcels consisting of approximately 1,000 acres for wildlife conservation purposes adjacent to the Forest of Nisene Marks. If all of these funds are not needed for this purpose, the remainder may be used for other projects in Santa Cruz County which meet the criteria of the Habitat Conservation Program pursuant to Article 2 (commencing with Section 2720) of Chapter 7.5 of Division 3 of the Fish and Game Code, excepting Sections 2720 and 2722 of, subdivision (a) of Section 2723 of, and Sections 2724 and 2729 of, the Fish and Game Code.

BAY AREA

(63) Five million dollars (\$5,000,000) for acquisition, enhancement, and restoration of existing and historic wetlands, including associated upland habitats, surrounding San Francisco Bay.

(64) One million dollars (\$1,000,000) for the acquisition of lands containing significant threatened native plant communities in Del Puerto Canyon, and along the Red Mountain Serpentine in Santa Clara County.

(65) Five million dollars (\$5,000,000) for the acquisition, enhancement, and restoration of existing and historic wetlands, including associated upland habitats, in Santa Clara and San Mateo Counties.

(66) Three million dollars (\$3,000,000) for the acquisition, enhancement, and restoration of existing and historic wetlands, including associated upland habitats, in Alameda and Contra Costa Counties.

(67) One million dollars (\$1,000,000) for the acquisition, restoration, and enhancement of existing and historic baylands, including associated habitats in eastern Marin County.

(68) Five hundred thousand dollars (\$500,000) for acquisition and enhancement of natural lands in the Huichica Creek Watershed.

(69) Eight million dollars (\$8,000,000) for the acquisition, enhancement, and restoration of existing and historic wetlands, including associated upland habitats, in the Napa Marsh.

(70) One million dollars (\$1,000,000) for the acquisition, enhancement, and restoration of existing and historic wetlands, including associated upland habitats, in the Petaluma Marsh.

(71) Two million five hundred thousand dollars (\$2,500,000) for acquisition of natural lands and native plant communities on or near Quail Ridge, near Lake Berryessa.

NORTH COAST

(72) Eight million dollars (\$8,000,000) for the acquisition of mixed redwood, douglas fir, tan oak, madrone and chinquapin forests; forested wildlife corridors; and riparian and aquatic habitat (including spawning gravels and rearing pools for steelhead, coho, and native king salmon) in the Mattole River headwaters near the town of Whitethorn in Humboldt and Mendocino Counties.

(73) Forty thousand dollars (\$40,000) for the acquisition and protection of unique native plant habitat within the Cow Mountain area, to protect the habitat from damage by off-road vehicles.

(74) Nine hundred thousand dollars (\$900,000) for the acquisition and restoration of coastal wetlands and historic riparian habitat in the Eel River Delta with highest priority given to the acquisition of Cock Robin Island.

(75) Two million dollars (\$2,000,000) for the acquisition of land and the construction of a center in Central America along the migratory path of California bird species for the study of biodiversity and tropical biology, a principal purpose of which is the conservation of habitat critical to the preservation of migratory bird species native to California.

STATE COASTAL CONSERVANCY

(c) Three hundred fifty-six million nine hundred seventy-four thousand dollars (\$356,974,000) to the State Coastal Conservancy pursuant to Division 21 (commencing with Section 31000), consistent with the purposes of this division, for acquisition, enhancement, or restoration of coastal resources and other areas consistent with Division 21 (commencing with Section 31000), and development of public accessways in coastal areas and the San Francisco Bay region; and for related state administrative costs, in accordance with the following schedule. Any of these funds may be expended for grants to public agencies, and, except where specified for public agencies herein, to nonprofit organizations. Of the funds appropriated pursuant to paragraphs (2) through (82) of this subdivision, the State Coastal Conservancy shall not require reimbursement from the Department of Parks and Recreation for those funds expended for the acquisition of land that will be administered as a part of the California State Park System.

(1) Thirty million dollars (\$30,000,000) for acquisition, enhancement, or restoration of coastal resources and other areas consistent with Division 21 (commencing with Section 31000), and development of coastal public accessways, including the Coastal Trail, and the San Francisco Bay region, including the Bay Trail, pursuant to Division 21 (commencing with Section 31000).

SOUTHERN CALIFORNIA

(2) Ten million dollars (\$10,000,000) for the acquisition, restoration and enhancement of natural lands in and adjacent to San Elijo Lagoon Ecological Reserve, the Escondido Creek Ecological Reserve, and the San Elijo Lagoon watershed along Escondido Creek, and for projects that restore the tidal flushing of San Elijo Lagoon.

(3) Ten million dollars (\$10,000,000) for the acquisition and restoration of land within the Otay River Valley, in accordance with the priorities set by the

Otay River Valley Regional Park Joint Exercise of Powers Policy Committee, composed of the City of San Diego, the County of San Diego, and the City of Chula Vista. Land acquired may be owned by any of the Joint Exercise of Power Authority agencies.

(4) Three hundred thousand dollars (\$300,000) for capital outlay projects to reduce erosion threatening water quality in Penasquitos Creek and coastal wetlands in the watershed of Penasquitos Creek, in cooperation with the Palomar-Ramona-Julian Resource Conservation District.

(5) Four million dollars (\$4,000,000) for the acquisition and restoration of the Huntington Beach wetland.

(6) One million dollars (\$1,000,000) for the acquisition of natural lands at Dana Point, if the State Coastal Conservancy has determined that there have been sufficient mitigation lands dedicated at the Point as a result of any development approved by the City of Dana Point. If such a determination cannot be made by July 1, 2004, the funds shall be spent to acquire other significant natural lands along the coast in Orange County.

(7) One million dollars (\$1,000,000) for the acquisition and restoration of wetlands at San Joaquin Marsh.

(8) Six million dollars (\$6,000,000) for the acquisition, restoration and enhancement of wetlands and adjacent natural lands and uplands at Bolsa Chica. Acquisition shall only be from willing sellers. The approval by any Bolsa Chica property owner to the language contained in this division shall not be construed as any willingness by the property owner to sell its Bolsa Chica property at any time now or in the future.

(9) Six million dollars (\$6,000,000) for the acquisition of critical natural areas and wildlife habitat on the Palos Verdes Peninsula, and for grants to nonprofit organizations for this purpose.

(10) Three million dollars (\$3,000,000) for the restoration and rehabilitation of Venice Beach facilities, walkways, and trails, in accordance with the Venice Urban Waterfront Restoration Plan.

(11) Eight million dollars (\$8,000,000) for the acquisition of natural lands and for the restoration of wetlands and the development of facilities which will restore wetlands in or near the Ballona Wetlands, provided that none of these funds may be used to offset any obligation relating to Ballona Wetlands of any project developer in or near the Ballona Wetlands, the successor or successors-in-interest to such a developer, or any person or entity seeking mitigation credits or fulfillment of restoration obligations from a restoration project at the Ballona Wetlands. Acquisition may only be from willing sellers. If by July 1, 1997, the State Coastal Conservancy determines that all feasible mitigation at Ballona Wetlands has been programmed or has been undertaken, any remaining funds available pursuant to this paragraph may be spent for the acquisition and restoration of wetlands within Los Angeles County, with first priority for up to one million five hundred thousand dollars (\$1,500,000) given to Ballona Lagoon, and second priority for the remainder of the funds given to other wetlands within the watershed of Santa Monica Bay.

(12) One million dollars (\$1,000,000) for the restoration and acquisition of wetlands in or near Ballona Lagoon.

(13) Five million dollars (\$5,000,000) for acquisition and restoration of property in and near Cold Creek watershed for the purposes of ecological and open space protection.

(14) Two million dollars (\$2,000,000) for acquisition and restoration of critical resource lands along the coast in the City of Malibu, with highest priority given to acquisition projects.

(15) Three million dollars (\$3,000,000) for acquisition and restoration of coastal wetlands and other natural lands along Ormond Beach in Ventura County.

(16) One million dollars (\$1,000,000) for the acquisition of riparian habitat along the Santa Clara River in Ventura County.

(17) Two million dollars (\$2,000,000) for the preservation of, and for grants to qualified nonprofit organizations for preservation of, agricultural lands in Ventura County, with preference given to lands in the Oxnard Plain. These funds shall be used to acquire interests in agricultural lands with preference given to conservation easements. Up to five percent of the funds may be used to fund voluntary sustainable capital outlay agricultural projects, including improvements which would increase the compatibility of agricultural operations with sensitive natural areas.

(18) One million five hundred thousand dollars (\$1,500,000) for acquisition and restoration of natural lands, riparian habitat and wetlands, and other capital outlay projects, to improve the anadromous fisheries of the Ventura River.

(19) One million dollars (\$1,000,000) for the preservation of, and for grants to qualified nonprofit organizations for preservation of, agricultural lands in Santa Barbara County, with preference given to lands in the northern part of the county. Up to five percent of the funds may be used to fund voluntary sustainable capital outlay agricultural projects, including improvements which would increase the compatibility of agricultural operations with sensitive natural areas.

(20) Fourteen million dollars (\$14,000,000) for the acquisition of coastal natural lands in Santa Barbara County according to the following schedule:

(A) Eleven million dollars (\$11,000,000) in southern Santa Barbara County, with highest priority given to lands in one or more of the following areas: (i) near Gaviota; (ii) near Las Positas Park; (iii) adjacent to El Capitan State Beach; and (iv) on More Mesa. Lands on More Mesa may only be purchased from a willing seller.

(B) Three million dollars (\$3,000,000) in northern Santa Barbara County, with highest priority to lands on Burton Mesa near La Purissima Mission, and at Point Sal.

If the lands identified as highest priority for acquisition pursuant to this paragraph prove to be unavailable, the funds shall be used instead for acquisition of, and for grants to public agencies for the acquisition of, coastal natural lands within Santa Barbara County that meet three or more of the following criteria, with preference given to the lands meeting the highest number of criteria: (1) wetlands and/or riparian corridors; (2) sensitive habitat; (3) lands serving as wildlife corridors connecting areas of wildlife habitat; (4) continuation or completion of an existing natural lands acquisition project; (5) lands adjacent to other permanently dedicated public or private natural lands; (6) state or county scenic corridors; (7) ocean frontage; or (8) Coastal Trail corridor.

Funds expended pursuant to this paragraph shall not be used for required mitigations related to public or private development or maintenance projects.

(21) Two million dollars (\$2,000,000) for acquisition of rights-of-way for the Coastal Trail in Santa Barbara County, with highest priority given to the section between the University of California, Santa Barbara, and Gaviota.

(22) Six million dollars (\$6,000,000) for acquisition, enhancement and access to natural lands in the Morro Bay and estuary watershed, and near Cayucos, such as the Morros, Chorro Flats, El Moro Elfin Forest, Baywood, Los Osos Greenbelt, and coastal lands near Cayucos along Estero Bay.

(23) Four million five hundred thousand dollars (\$4,500,000) for the acquisition, enhancement and access to natural lands in northern coastal San Luis Obispo County, including coastal riparian lands, forests, marine terrace and arroyo lagoon systems, including, but not limited to, Santa Rosa Creek and the Cambrian Pine Forest.

(24) Two million dollars (\$2,000,000) for the preservation of, and for grants to qualified nonprofit organizations for preservation of, agricultural lands in San Luis Obispo County. These funds shall be used to acquire interests in agricultural lands with preference given to conservation easements. Up to five percent of the funds may be used to fund voluntary sustainable capital outlay agricultural projects, including improvements which would increase the compatibility of agricultural operations with sensitive natural areas.

(25) Four million dollars (\$4,000,000) for acquisition of natural lands in the volcanic peaks known as the Morros or Seven Sisters in San Luis Obispo County.

(26) One million five hundred thousand dollars (\$1,500,000) for the acquisition of riparian habitat along the Salinas River in San Luis Obispo County.

(27) One million dollars (\$1,000,000) for the acquisition of native oak woodlands in San Luis Obispo County.

(28) One million dollars (\$1,000,000) for the acquisition and enhancement of and access to natural wetlands, coastal, riparian, and lagoon habitats in southern San Luis Obispo County coastal areas such as San Luis Creek and Black Lake Canyon on Nipomo Mesa.

(29) One hundred fifteen thousand dollars (\$115,000) for the acquisition of easements and the restoration of wetlands in the watershed of Los Osos Creek, in cooperation with the Coastal San Luis Resource Conservation District.

(30) Seven hundred thousand dollars (\$700,000) for the restoration of wetlands adjacent to the Chorro Creek estuary, in cooperation with the Coastal San Luis Resource Conservation District.

MONTEREY BAY

(31) Five hundred thousand dollars (\$500,000) for the restoration and enhancement of the Carmel River Lagoon, for the purpose of restoring the steelhead population of the Carmel River. High priority shall be given to the use of the California Conservation Corps or a community conservation corps in completing these improvements.

(32) Two million dollars (\$2,000,000) for acquisition and restoration of natural lands at Elkhorn Slough in accordance with the Elkhorn Slough Management Plan.

(33) Four million dollars (\$4,000,000) for acquisition of watershed lands with coastal frontage south of Partington Creek in Monterey County; provided that, if such funds are not expended by July 1, 1997, they may be used to acquire coastal watershed lands elsewhere within Monterey County.

(34) Five million dollars (\$5,000,000) for preservation of, and for grants to qualified nonprofit organizations for preservation of, Monterey County agricultural lands in the coastal zone and Salinas River watershed.

(35) *Twelve million five hundred thousand dollars (\$12,500,000) for the acquisition of land on the north coast of Santa Cruz County, with preference given to single large holdings including significant agricultural lands, and to the expansion of Wilder Ranch State Park.*

(36) *Five hundred thousand dollars (\$500,000) for the acquisition of significant archaeological and paleontological sites in Santa Cruz County.*

BAY AREA

(37) *Fifteen million dollars (\$15,000,000) for the enhancement and restoration of existing and historic wetlands and associated habitat through the beneficial use of dredged materials and for the acquisition of land for these purposes. None of these funds may be used to pay for costs which would otherwise be incurred in the normal dredging and disposal of materials from ports in San Francisco Bay. These funds are intended to help pay the incremental costs between wetlands creation and other disposal options, such as ocean disposal.*

These funds may be used only for wetlands restoration projects to be implemented by public or nonprofit entities, and only for sites which are permanently protected as open space and wildlife habitat. None of these funds may be used to mitigate for off-site wetlands losses pursuant to unrelated permitted projects.

Of the funds allocated pursuant to this paragraph, up to five hundred thousand dollars (\$500,000) may be spent to develop a regional wetlands management plan to identify habitat needs, establish wetland habitat goals by type, amount, and location necessary to support a healthy balance of plant and animal communities, and guide restoration efforts. The plan should be used to guide the expenditure of the funds authorized pursuant to this paragraph, but such expenditures shall not be contingent on completion of the plan.

If, after July 1, 2004, the State Coastal Conservancy is unable to expend all or part of these funds, the remaining funds may be used by the State Coastal Conservancy for wetlands acquisition, protection and restoration in San Francisco Bay.

(38) *Three million dollars (\$3,000,000) for acquisition and development of real property to complete portions of the San Francisco Bay Trail.*

(39) *Seven million dollars (\$7,000,000) for acquisition, enhancement, and restoration of existing and historic wetlands, including associated upland habitats, surrounding San Francisco Bay. Of this amount, no less than one million dollars (\$1,000,000) shall be spent in each of the following regions: San Mateo and Santa Clara Counties; Alameda and Contra Costa Counties; Marin, Sonoma, Napa and Solano Counties; and the City and County of San Francisco. Of the funds expended in San Francisco, at least one million dollars (\$1,000,000) shall be transferred to the Department of Parks and Recreation for restoration of wetlands at Candlestick Point State Park.*

(40) *Eight million dollars (\$8,000,000) for the acquisition, enhancement, and restoration of existing and historic wetlands, including associated upland habitats, in Santa Clara and San Mateo Counties.*

(41) *Fourteen million dollars (\$14,000,000) for acquisition of, and for grants to public agencies or nonprofit organizations for acquisition of, coastal lands within San Mateo County that meet three or more of the following criteria: (1) ocean frontage; (2) state or county scenic corridor; (3) designated in the County General Plan as Agriculture or Timber Production; (4) sensitive habitat or wetlands; (5) close proximity to urban areas; or (6) adjacent to other perma-*

nently dedicated public or private natural lands, such as Fitzgerald Marine Reserve, Mori Point, and San Pedro Point. These funds shall not be used for urban waterfronts or for lot consolidation projects pursuant to Chapters 5 (commencing with Section 31200) and 7 (commencing with Section 31300) of Division 21.

(42) Three million dollars (\$3,000,000) for acquisition, preservation, and ecological restoration of natural lands containing significant cultural and natural resources on San Bruno Mountain, including Native American shell mounds, and habitat for rare, endangered and threatened butterflies, reptiles, and native plants.

(43) Seven million dollars (\$7,000,000) for the acquisition, enhancement, and restoration of existing and historic wetlands, including associated upland habitats, in Alameda and Contra Costa Counties.

(44) Three million dollars (\$3,000,000) for acquisition of wetlands, oak woodlands, and grasslands, and for acquisition of rights-of-way for the Bay Trail and spurs linking the Bay and Ridge Trails in and around the City of Martinez.

(45) Two million dollars (\$2,000,000) for the acquisition and restoration of natural lands and parklands along the Rodeo Waterfront.

(46) Three hundred thousand dollars (\$300,000) for the acquisition and restoration of natural lands and parklands along the San Joaquin River in and near the City of Antioch. Lands may only be acquired from willing sellers.

(47) Five million dollars (\$5,000,000) for the acquisition, restoration, and enhancement of existing and historic baylands, including associated habitats, in eastern Marin County.

(48) Two million dollars (\$2,000,000) for the acquisition of lands for the expansion of Tomales Bay State Park and for coastal access along Tomales Bay. If these funds are not expended by July 1, 1999, they shall be available as grants to the County of Marin or to a qualified nonprofit organization for acquisition of open space lands within the viewshed of Tomales Bay.

(49) Two hundred thousand dollars (\$200,000) for capital outlay projects to reduce erosion threatening coastal wetlands and threatened and endangered species in the watershed of the Estero de San Antonio in cooperation with the Marin County Resource Conservation District.

(50) Two million dollars (\$2,000,000) for the acquisition, enhancement, and restoration of existing and historic wetlands, including associated upland habitats, in the Napa Marsh.

(51) Two million dollars (\$2,000,000) for the acquisition, enhancement, and restoration of existing and historic wetlands, including associated upland habitats, in the Petaluma Marsh.

(52) One million dollars (\$1,000,000) for capital outlay and erosion control projects to protect wetlands in the Estero Americano and Salmon Creek, and watersheds between the Estero Americano and Salmon Creek, and for grants to the Gold Ridge Resource Conservation District for this purpose.

(53) Two million dollars (\$2,000,000) for acquisition, enhancement, and restoration of existing and historic wetlands, including associated upland habitat and agricultural lands, in the watershed of the Estero Americano in Sonoma County, and for grants to public agencies, resource conservation districts, and nonprofit organizations for those purposes.

(54) Two hundred thousand dollars (\$200,000) for capital outlay projects to reduce erosion threatening water quality in Sonoma Creek and coastal wetlands in the watershed of Sonoma Creek, in cooperation with the Southern Sonoma County Resource Conservation District.

(55) *Seven million dollars (\$7,000,000) for acquisition, enhancement, and restoration of the Russian River corridor and associated upland habitat, including development of public access where feasible, and where it will not damage riparian values.*

(56) *Two million dollars (\$2,000,000) for acquisition, enhancement, and restoration of vernal pools and associated habitat in the Santa Rosa Plain, including valley oaks and native grasslands.*

(57) *Five million dollars (\$5,000,000) for acquisition, enhancement, and restoration of existing and historic wetlands along San Pablo Bay in Sonoma County, including associated upland habitat and agricultural lands.*

(58) *Two million dollars (\$2,000,000) for preservation of, and for grants by Sonoma County to qualified nonprofit organizations for preservation of, agricultural lands in the Sonoma County coastal zone. First priority shall be given to those projects which are coordinated with agricultural land preservation projects in neighboring counties. These funds shall be used to acquire interests in agricultural lands with preference given to conservation easements. Up to five percent of the funds may be used to fund voluntary sustainable agricultural capital outlay projects, including improvements which would increase the compatibility of agricultural operations with sensitive natural areas.*

(59) *Three million dollars (\$3,000,000) for the acquisition and restoration of historic and existing wetlands and associated habitat areas along the Napa River in Solano County.*

(60) *Two million dollars (\$2,000,000) for wetlands restoration at River Park near Vallejo.*

NORTH COAST

(61) *One million five hundred thousand dollars (\$1,500,000) for the acquisition of parkland and coastal accessways at the Albion Headlands.*

(62) *Five million dollars (\$5,000,000) for direct expenditure for, and for grants to public agencies and nonprofit organizations for, the acquisition and restoration of forested lands or interests in such lands within Mendocino County in order to ensure that: (1) such lands remain in timber production; (2) these lands are managed in such a way as to restore and promote the long-term health of the forest ecosystem, including soil productivity; diversity of age classes, including late seral and old growth stages; native species mix; enhancement of horizontal and vertical forest structures, including standing and down logs and debris; and protection of watershed functions; (3) cultural resources within these lands can be protected; and (4) where appropriate, public access and recreation can be promoted.*

These funds may not be used by the State Coastal Conservancy for the acquisition of lands which should otherwise be acquired for park or wilderness use where timber production would not be permitted. Prior to approving the disbursement of any funds under this paragraph for any acquisition, and after hearing testimony at least at one public hearing, the State Coastal Conservancy shall make a finding on whether a property proposed for purchase is or is not a high priority for exclusive park or wilderness uses. The State Coastal Conservancy shall ensure through easements or other methods that any property acquired under this paragraph is managed in a manner which is consistent with the goals stated above. The State Coastal Conservancy shall give priority to projects proposed by Mendocino County and local community groups.

Notwithstanding the above restrictions on timber harvesting, the State Coastal Conservancy shall grant funds for acquisition of timber lands under this paragraph only to agencies or organizations that intend to actively manage them.

(63) One hundred fifty thousand dollars (\$150,000) for acquisition of land and development of a trail along the Gualala Bluff top.

(64) Three million dollars (\$3,000,000) for the acquisition of natural lands and conservation easements for protection and restoration of important riparian and upland native forestlands within the Navarro River watershed. Acquisition and restoration shall provide salmon and steelhead habitat protection, reduction of nonpoint source pollution, preservation of remnant old growth and second growth redwood forestland, and connectivity among protected areas and parks for wildlife corridors.

(65) Fifteen thousand dollars (\$15,000) for the development of trails at Point Cabrillo.

(66) Three million dollars (\$3,000,000) for projects in Mendocino County. These funds shall be deemed to be in repayment for the State Coastal Conservancy's expenses from the Sinkyone Wilderness Project.

The State Coastal Conservancy shall not expend these funds until it has: (1) approved the transfer of the Sinkyone upland parcels; (2) taken necessary steps to effect such transfer; and (3) ensured through easements or other similar methods that, in perpetuity and without unreasonable restrictions, the property is managed under the following conditions: (a) general public access is allowed, including, but not limited to, hiking, hunting, fishing and Native American sustenance gathering; (b) natural and cultural resources are protected and can be restored, including stabilization of archaeological and cultural sites, wildlife habitat, soils, watersheds, fisheries and native plant habitat; (c) opportunities for educational, scientific and cultural activities are available on the site; and (d) timber production is limited and sustainable.

Reasonable limitations may be imposed on any of these activities based on the establishment of sustainable levels of resource utilization, using generally accepted inventory and habitat evaluation techniques. Prior to the transfer of the upland parcels, the State Coastal Conservancy shall consult with interested parties in Mendocino County and, as appropriate, conduct public workshops or public hearings to devise the specifics of easements or other limitations which would apply to the upland property, consistent with the requirements of this paragraph. Upon completion of this process and the agreement of the Intertribal Sinkyone Wilderness Council to abide by the terms and conditions contained in the proposed restrictions, the State Coastal Conservancy shall take all steps within its authority to ensure transfer of the property to the council. In the event that the property has been transferred prior to the enactment of this division, the funds shall be available to the State Coastal Conservancy for projects in Mendocino County.

The projects on which the State Coastal Conservancy may expend funds under this paragraph shall include, but shall not be limited to: (1) the resource restoration of the upland parcels; (2) the acquisition of other significant cultural or archaeological sites in the vicinity of this property; and (3) the acquisition and consolidation of interests in forest lands to ensure that such lands can remain in timber production under sustainable limits and to promote model forestry programs. The State Coastal Conservancy shall also give priority to other projects as may be suggested by the Mendocino County Board of Supervisors.

(67) *One hundred thousand dollars (\$100,000) for development of trails in and near the Sinkyone Wilderness.*

(68) *Five hundred thousand dollars (\$500,000) for capital outlay projects to reduce erosion, improve water quality, and restore Coho Salmon and other salmonids in the watershed of the Garcia River, in cooperation with the Mendocino County Resource Conservation District.*

(69) *Five hundred thousand dollars (\$500,000) for the acquisition or restoration of dune, wetland or riparian habitat, and for the development of recreational facilities within the jurisdiction of the Manila Community Service District.*

(70) *Fourteen thousand dollars (\$14,000) for development of access to Baker Beach near Trinidad in Humboldt County.*

(71) *One hundred thousand dollars (\$100,000) for the acquisition, restoration, and enhancement of culturally significant island property in Humboldt Bay, with highest priority given to the Indian Island archaeological site.*

(72) *Seven hundred thousand dollars (\$700,000) for acquisition of old growth redwoods and buffer areas in the Black Dog Creek Drainage of the Mad River.*

(73) *Three hundred twenty thousand dollars (\$320,000) for improvement of public access to the Eel River Delta.*

(74) *Two hundred thousand dollars (\$200,000) for development of the Hammond section of the Coastal Trail in the vicinity of McKinleyville.*

(75) *Five hundred thousand dollars (\$500,000) for development of the Coastal Trail in Humboldt County.*

(76) *Four hundred thousand dollars (\$400,000) for the acquisition of prime agricultural land adjacent to Jacoby Creek in Humboldt County.*

(77) *Two hundred thousand dollars (\$200,000) for restoration of riparian habitat along the lower reaches of the Mad River.*

(78) *Three hundred thousand dollars (\$300,000) for the enhancement of riparian habitat and for demonstration projects for sustainable forestry, with the goal of restoring salmonid fishes in the Mattole River.*

(79) *Three million dollars (\$3,000,000) for the acquisition of old growth forests along Mill Creek, a tributary to the Mattole River.*

(80) *Three hundred thousand dollars (\$300,000) for the acquisition and preservation of redwood, riparian and wildlife habitat as a community park within the community of Westhaven, near Trinidad.*

(81) *Five hundred thousand dollars (\$500,000) for capital outlay projects to implement dairy waste management systems, including acquisition of easements, to better protect salmon, estuarine resources, and threatened and endangered species. This project may include a grant to the Eel River Resource Conservation District.*

STATE COASTAL CONSERVANCY LOCAL GRANTS

(82) *Eighty-one million eight hundred sixty thousand dollars (\$81,860,000) for grants to local agencies according to the following schedule:*

SOUTHERN CALIFORNIA

(A) *Four million five hundred thousand dollars (\$4,500,000) to the City of Carlsbad according to the following schedule:*

(i) *Three million dollars (\$3,000,000) for acquisition and preservation of natural lands within the city to support the Carlsbad multiple species habitat program.*

(ii) *One million five hundred thousand dollars (\$1,500,000) for the restoration and development of the Carrillo Ranch.*

(B) *Ten million dollars (\$10,000,000) to the San Dieguito River Valley Regional Open Space Park Joint Powers Authority for the acquisition of natural lands and for public access and trails. Up to one million dollars (\$1,000,000) of this amount may be expended for historical preservation purposes. All these funds shall be expended in accordance with the San Dieguito River Valley Regional Open Space Park Concept Plan.*

(C) *Five hundred thousand dollars (\$500,000) to the City of San Diego for the restoration and enhancement of Famosa Slough, and for facilities necessary to carry out such restoration and enhancement.*

(D) *Thirteen million three hundred thousand dollars (\$13,300,000) to Orange County according to the following schedule:*

(i) *Twelve million dollars (\$12,000,000) for the acquisition of natural lands within the South Laguna/Laguna Niguel coastal ridgeline and hillside area containing habitat and rare plants for inclusion in the Aliso and Wood Canyons Regional Park.*

(ii) *One million three hundred thousand dollars (\$1,300,000) for the acquisition and restoration of wetlands at North Talbert Regional Park.*

(E) *Twenty-five million dollars (\$25,000,000) to the City of Laguna Beach for the acquisition of open space land, natural lands and buffer areas within and contiguous to the Laguna Greenbelt, especially within Laguna Canyon.*

(F) *One million dollars (\$1,000,000) to the City of Los Angeles for restoration of the El Segundo Dunes.*

(G) *Two million dollars (\$2,000,000) to the City of Santa Monica for the restoration and rehabilitation of Santa Monica beaches and related facilities.*

(H) *Two million dollars (\$2,000,000) to the City of Ventura for the restoration of the Ventura River Estuary and Seaside Wilderness Park.*

(I) *One million two hundred thousand dollars (\$1,200,000) to the City of Carpinteria for the acquisition and restoration of former wetlands at Ash Avenue and elsewhere in Carpinteria Marsh, and for public access to the marsh, in consultation with the Marsh/Park Steering Committee.*

(J) *Eighty thousand dollars (\$80,000) to Santa Barbara County for construction and restoration of a trail to Loon Point Beach.*

MONTEREY BAY

(K) *One hundred thousand dollars (\$100,000) to the City of Pacific Grove for restoration of habitat important to Monarch butterflies.*

BAY AREA

(L) *One hundred thousand dollars (\$100,000) to the City of Pacifica or to a nonprofit organization for restoration of native plant habitat on publicly owned land at San Pedro Point.*

(M) *Two million dollars (\$2,000,000) to the appropriate local agency, or through the State Coastal Conservancy itself, for the acquisition and enhancement of wetlands and uplands along the Hayward Shoreline to protect rare and endangered species, preserve historic resources, and to improve public access.*

(N) *Ten million dollars (\$10,000,000) to the City of Oakland for the acquisition of land for expansion of Lakeside Park, and for the restoration of Lake Merritt, with highest priority given to land acquisition, trail development with linkages to the San Francisco Bay Trail, and habitat restoration.*

(O) Two million dollars (\$2,000,000) to the City of Richmond for the construction of the North Richmond Environmental Education Center.

(P) One million dollars (\$1,000,000) to the Marin County Open Space District for the acquisition, restoration and enhancement of existing and historic baylands, including associated habitats in eastern Marin County.

(Q) Five hundred thousand dollars (\$500,000) to the City of Napa for acquisition and enhancement of land for the Napa River Trail to improve public access and enhance riparian habitat.

(R) One million dollars (\$1,000,000) to the City of Petaluma for acquisition and enhancement of lands and the development of trails in the Petaluma Marsh and along the Petaluma River. The trails shall not damage habitat values of the marsh or river.

(S) Six hundred thousand dollars (\$600,000) to Sonoma County Regional Parks for the expansion of Gualala Point Regional Park.

(T) One million one hundred thousand dollars (\$1,100,000) to the City of Benicia, and for grants by the City of Benicia to nonprofit organizations, for wetland restoration and public improvements on the Benicia waterfront, in accordance with the Benicia Waterfront Restoration Plan and the Benicia Parks, Trails, and Open Space Master Plan. High priority shall be given to wetlands restoration.

(U) Three million dollars (\$3,000,000) to the City of Fairfield, and for grants by the City of Fairfield to nonprofit organizations, for acquisition of land and conservation easements to provide permanent protection of farmlands in the Suisun Valley lying within two miles of the boundary of the Suisun Marsh Preservation Area.

(V) Three hundred eighty thousand dollars (\$380,000) to Suisun City, and for grants to nonprofit organizations, for wetland restoration and access improvements at the Suisun Marsh Natural History site.

NORTH COAST

(W) Five hundred thousand dollars (\$500,000) to Del Norte County for acquisition and restoration of native forest and riparian habitat between Highway 101 and the ocean at the mouth of the Crescent City Marsh, and facilities for the new northern trailhead of the Coastal Trail.

OTHER AGENCIES

(d) Eighty-five million dollars (\$85,000,000) to the Santa Monica Mountains Conservancy for capital outlay and grants for acquisition, enhancement or restoration of natural lands, improvement of public recreation facilities, and for grants pursuant to Section 33204.2, and for related state administrative costs, pursuant to Division 23 (commencing with Section 33000). Notwithstanding any other provision of law, funds shall be expended for the following purposes, consistent with the purposes of this division, according to the following schedule. Any funds remaining after the completion of these projects shall be spent on acquisition or restoration of natural lands in the Santa Monica Mountains Zone, and for related state administrative purposes, pursuant to Division 23 (commencing with Section 33000) and consistent with the purposes of this division.

(1) Thirty million dollars (\$30,000,000) for acquisition, restoration and enhancement of coastal canyons, areas of major archaeological importance, and significant habitat areas, provided that not less than twenty million dollars (\$20,000,000) shall be expended within the Topanga Canyon watershed.

(2) Four million dollars (\$4,000,000) for acquisition and other projects within the Malibu Creek watershed designed to reduce and prevent erosion and other pollutant run-off into Santa Monica Bay.

(3) Five million dollars (\$5,000,000) for expenditure within the wildlife corridor south of Route 101, as identified in the study prepared by The Nature Conservancy.

(4) Thirteen million dollars (\$13,000,000) to be expended within the "Big Wild" area adjacent to Topanga State Park, and Rustic, Sullivan, and Mandeville Canyons identified in the study prepared by Community Development by Design.

(5) Five million dollars (\$5,000,000) for critical wildlife habitat, conservation and open space projects. Priority shall be given to projects under threat of immediate development and for opportunity purchases from willing sellers.

(6) Three million dollars (\$3,000,000) for implementation of the Devil's Gate Master Plan. Such funds shall be expended in cooperation with the City of Pasadena.

(7) Two million dollars (\$2,000,000) for the mountains education program, including grants pursuant to Section 33204.2.

(8) Five million dollars (\$5,000,000) for land acquisition, restoration and enhancement projects along the Los Angeles River. Notwithstanding any other provision of law, funds appropriated by this paragraph shall be expended according to a plan adopted by the Santa Monica Mountains Conservancy, after public hearings, which shall delineate the boundaries of eligible projects and which shall be filed with the Secretary of State as an amendment to the Santa Monica Mountains Zone.

(9) Three million dollars (\$3,000,000) for acquisition, restoration and enhancement of the Santa Clara River. These funds shall be expended in cooperation with the City of Santa Clarita. Notwithstanding any other provision of law, funds appropriated by this paragraph shall be expended according to a plan adopted by the Santa Monica Mountains Conservancy, after public hearings and consultation with the city and all interested parties, which shall delineate the boundaries of eligible projects and which shall be filed with the Secretary of State as an amendment to the Santa Monica Mountains Zone as otherwise defined in Sections 33105 and 33105.5 and subdivision (c) of Section 33204.3.

(10) Two million dollars (\$2,000,000) for expansion of the San Gabriel Valley Rim Open Space Corridor, to be expended in cooperation with the City of Glendora. Notwithstanding any other provision of law, funds appropriated by this paragraph shall be expended according to a plan adopted by the Santa Monica Mountains Conservancy, after public hearings and consultation with all interested parties, which shall delineate the boundaries of eligible projects and which shall be filed with the Secretary of State as an amendment to the Santa Monica Mountains Zone.

(11) Seven million dollars (\$7,000,000) for the acquisition of park, open space, and natural lands and wildlife habitat in the Whittier-Puente Hills. Prior to the expenditure of such funds, the Santa Monica Mountains Conservancy shall have entered into a joint powers agreement with the City of Whittier to facilitate the preservation of park and open space lands as provided in Section 8(c) (6) of the order of the Los Angeles County Board of Supervisors (Proposition A) approved at the consolidated general election held November 3, 1992.

(12) Five million dollars (\$5,000,000) for projects within the Rim of the Valley Trail Corridor as defined in Section 33105.5 and subdivision (c) of Section 33204.3

and, notwithstanding any other provision of law, for trail connectors and improvements between the Rim of the Valley Trail and the Pacific Crest Trail.

(13) One million dollars (\$1,000,000) for acquisition of alluvial sage scrub in the Big Tujunga Wash upstream from Hansen Dam. Lands shall be acquired only from willing sellers.

(e) Forty million dollars (\$40,000,000) to the California Tahoe Conservancy for the acquisition, development, restoration, and enhancement of real property and natural lands within the Lake Tahoe region pursuant to Title 7.42 (commencing with Section 66905) of the Government Code, and for administrative costs incurred therewith, for the following purposes:

(1) Protecting the natural environment through soil erosion control, acquisition, restoration or enhancement of environmentally sensitive lands, and restoration of streams, stream environment zones, wetlands, and other natural areas.

(2) Providing public access and public recreational opportunities.

(3) Enhancing wildlife and wildlife habitat areas.

(4) Consolidating lands for their more effective management as a unit.

Of the forty million dollars (\$40,000,000), up to five million dollars (\$5,000,000) may be used to acquire land and to develop a Lake Tahoe research and public education center, which shall be operated by a public institution of higher learning in California.

(f) Fifteen million five hundred thousand dollars (\$15,500,000) to the Department of Conservation for grants to public agencies and nonprofit organizations for the purchase of conservation easements on prime agricultural land outside of incorporated areas, according to the following schedule:

(1) Two million dollars (\$2,000,000) in Tulare County.

(2) Four million dollars (\$4,000,000) in Merced County.

(3) Two million five hundred thousand dollars (\$2,500,000) in San Joaquin County.

(4) Four million dollars (\$4,000,000) in Yolo County.

(5) Two million dollars (\$2,000,000) in Fresno County.

(6) One million dollars (\$1,000,000) in San Benito County.

The purpose of these grants is to demonstrate the feasibility of agricultural land preservation using conservation easements in the counties in which the funds are spent.

(g) Fifteen million dollars (\$15,000,000) to the Department of Forestry and Fire Protection for urban forestry programs in accordance with Section 4799.12. The grants made pursuant to this subdivision shall be for capital outlay purposes, including, but not limited to, costs associated with the purchase and planting of trees, and up to three years of care which ensures the long term viability of those trees. Preference for grants shall be given to projects and programs involving volunteers and community-based organizations. No less than fifty percent of the grants made pursuant to this program shall be made for tree-planting projects in areas with a median income of less than fifty percent of the state average. For purposes of this subdivision, "area" may mean census tract.

(h) Forty-seven million five hundred thousand dollars (\$47,500,000) to the Controller for allocation directly to the following agencies:

(1) Forty-two million five hundred thousand dollars (\$42,500,000) to the Mountains Recreation and Conservation Authority for capital outlay and administrative costs associated therewith, which, notwithstanding any other provision of law, shall be expended for the purposes provided herein, according to the following schedule:

(A) Fifteen million dollars (\$15,000,000) for projects within the Los Angeles River Watershed portion of the Santa Susana Mountains and within the Simi Hills wildlife corridor.

(B) Seven million dollars (\$7,000,000) for projects within the Santa Clarita Woodlands. Of this amount, no less than three hundred thousand dollars (\$300,000) shall be spent for trail corridor connections to Rocky Peak Park and adjacent publicly owned land.

(C) Four million five hundred thousand dollars (\$4,500,000) to restore and enhance wildlife and riparian habitat in and around the Sepulveda Basin, including, but not limited to, Bull Creek, Haskell Creek, Woodley Creek, Hayvenhurst Creek, and wildlife reserves, and for grants to nonprofit organizations for these purposes.

(D) Three million dollars (\$3,000,000) for the acquisition of and development of mountain camp facilities serving disadvantaged and at-risk youth from Los Angeles County.

(E) Ten million dollars (\$10,000,000) for expenditure in upper Mandeville and Mission Canyons within the City of Los Angeles.

(F) Three million dollars (\$3,000,000) for implementation of the Los Angeles Greenways project. Priority shall be given to expenditures that use matching funds.

(2) Five million dollars (\$5,000,000) to the Eastern Ventura County Conservation Authority for capital outlay and administrative costs in connection therewith, for projects in the Santa Susana Mountains between Happy Camp Canyon Park and Rocky Peak Park.

(i) Five million dollars (\$5,000,000) to the Department of Boating and Waterways for capital outlay projects and grants to other state agencies, local agencies and nonprofit organizations to provide access to rivers and natural lakes for nonmotorized vessels, including, but not limited to, canoes, tubes, kayaks, and rafts. None of these funds shall be allocated to artificial reservoirs. For purposes of this subdivision, Lake Tahoe and Clear Lake shall be considered to be natural lakes.

(j) Twenty-eight million seven hundred eighty thousand dollars (\$28,780,000) to the Department of Water Resources for the acquisition and restoration of natural lands which contain urban streams, creeks, and riparian areas, and for trail development generally in accordance with Section 7048 of the Water Code, and for related state administrative costs not to exceed four hundred thousand dollars (\$400,000) in accordance with the following schedule. Notwithstanding any limits on the size of individual grants established by Department of Water Resources regulations or guidelines, there shall be no limit on the size of the grants made pursuant to paragraphs (2) to (8), inclusive, of this subdivision, and the maximum grant made pursuant to paragraph (1) shall be three million dollars (\$3,000,000).

(1) Fifteen million dollars (\$15,000,000) for grants to counties, cities, cities and counties, districts, local agencies, and nonprofit organizations for the acquisition and restoration of natural lands which contain urban streams, creeks, and riparian areas, and for trail development along those streams.

(2) Five million dollars (\$5,000,000) for open space acquisition and restoration of a greenway corridor along Santiago Creek in the Cities of Orange and Santa Ana.

(3) Four million five hundred thousand dollars (\$4,500,000) for the preservation and restoration of creeks in Santa Barbara County. Projects funded pursuant

to this paragraph shall meet three or more of the following criteria: (A) close proximity to urban areas; (B) benefits to municipal water supply quality and quantity; (C) multi-objective benefits; (D) be within an area of known flood hazard; (E) contain threatened wildlife habitat; (F) provide the greatest degree of habitat restoration; and (G) imminently threatened, such as Mission Creek. These funds shall not be used for required mitigation related to public or private development or maintenance projects, but may be used for enhancement projects in addition to, and connected with, required mitigations if a separate accounting of funds for each is made.

(4) Fifty thousand dollars (\$50,000) for a parkway and trail along the North Fork of Willow Creek in Madera County.

(5) One million dollars (\$1,000,000) for Strawberry Creek in Alameda County.

(6) One million dollars (\$1,000,000) for Walnut Creek in Contra Costa County.

(7) Two million dollars (\$2,000,000) for San Ramon Creek in the City of Walnut Creek, with highest priority given to creek restoration and development of a trail.

(8) Two hundred thirty thousand dollars (\$230,000) for enhancement and restoration of habitat along Santa Rosa Creek in and near the City of Santa Rosa. Of this amount, up to eighty thousand dollars (\$80,000) may be expended on a bicycle and hiking trail along the creek.

CHAPTER 3. MISCELLANEOUS PROVISIONS

Local Assistance Grants

23010. (a) The state grant money authorized by subparagraph (A) of paragraph (6) of subdivision (a) of Section 23007 shall be allocated to counties, cities, and districts on the basis of their populations, as determined by the Department of Parks and Recreation, in cooperation with the Department of Finance, on the basis of the most recent verifiable census data and other population data as the Department of Parks and Recreation may require to be furnished by any county, city, or district.

(b) Forty percent of the total funds available for grants pursuant to this section shall be allocated to counties and regional park, open space, or park and open space districts formed pursuant to Chapter 3 (commencing with Section 5500) of Division 5 on or before October 1, 1994. Each county's allocation shall be in the same ratio as the county's population is to the state's total population, except that each county is entitled to a minimum allocation of one hundred fifty thousand dollars (\$150,000). In any county that embraces all or part of the territory of a regional park, open space, or park and open space district whose board of directors is not the county board of supervisors, the amount allocated to the county shall be apportioned between the county and the regional district in proportion to the population of the county that is included within the territory of the regional district and the population of the county that is outside the territory of the regional district. For purposes of this subdivision, the City and County of San Francisco is a county.

(c) (1) Sixty percent of the total funds available for grants pursuant to this section shall be allocated to cities and districts, other than regional park, open space, or park and open space districts. Each city's and each district's allocation shall be in the same ratio as the city's or district's population is to the combined total of the state's population that is included in incorporated areas and in unincorporated areas within the districts, except that each city or district is entitled to a minimum allocation of thirty thousand dollars (\$30,000). In any instance in which the boundary of a city overlaps the boundary of a district, the

population in the area of overlapping jurisdiction shall be attributed to each jurisdiction in proportion to the extent to which each operates and manages parks and recreational areas and facilities for that population. In any instance in which the boundary of a city overlaps the boundary of a district, and in the area of overlap the city does not operate and manage park and recreation areas and facilities, all grant funds shall be allocated to the district.

(2) Each city and other district whose boundaries overlap, shall develop a specific plan for allocating the grant funds in accordance with the formula specified in paragraph (1). If, by September 15, 1994, the plan has not been agreed to by the affected jurisdictions and submitted to the Department of Parks and Recreation, the department shall determine the allocation of the grant funds among the affected jurisdictions.

(3) For purposes of this subdivision, the City and County of San Francisco is a city.

23011. The state grant money authorized in subparagraph (A) of paragraph (6) of subdivision (a) of Section 23007 may be expended by the recipient for any of the following purposes, or any combination thereof:

(a) The development, rehabilitation, improvement, or restoration of all of the following:

(1) Deteriorated roads, utilities, and other structures and facilities within existing parks and recreational areas.

(2) Neighborhood, community, and regional parks.

(3) Beaches and public accessways to beaches.

(4) Historical or archaeological resource preservation projects.

(5) Recreational areas and facilities.

(6) Hiking, bicycling, jogging, and equestrian trails.

(7) Museums.

(8) Campgrounds.

(9) Lakes, reservoirs, waterways, and aquatic parks.

(10) Provision of facilities for persons with handicaps at park, recreational and other similar facilities.

(11) Senior and day care park and recreational centers.

(12) Park and recreational facilities which prevent and reduce gang and criminal activity, and to make parks and other recreational facilities safer, and to prevent drug-related activity at park and recreation facilities.

(13) Facilities for youth recreational services.

(b) The acquisition of development rights and easements in connection with any acquisition made for any purpose specified in paragraphs (2) to (6), inclusive, of subdivision (a), as long as the right or easement directly enhances the enjoyment or usefulness of the acquisition.

(c) The acquisition of land for park, wildlife habitat, open space, beach, recreational, or historical or archaeological preservation purposes.

23012. Funds authorized for local assistance grants, for the Roberti-Z'berg-Harris Urban Open-Space and Recreation Program Act (Chapter 3.2 (commencing with Section 5620) of Division 5), pursuant to subparagraph (B) of paragraph (6) of subdivision (a) of Section 23007 may be expended, notwithstanding Section 5627, only for the acquisition, development, rehabilitation, or restoration of parks, wildlife habitat, beaches, open space lands, recreational trails, or recreational facilities and areas, and for the development rights or easements in connection with those acquisitions.

23013. (a) (1) Funds for historical and archaeological preservation projects authorized in subparagraphs (C) and (E) of paragraph (6) of subdivision (a) of Section 23007 shall be administered by the State Office of Historic Preservation and shall be available as grants on a competitive basis to cities, counties, cities and counties, districts, local agencies, and nonprofit organizations for the acquisition, protection, stabilization, preservation, rehabilitation, restoration, or reconstruction of historical resources and the acquisition, protection, stabilization, or preservation of archaeological resources. An individual jurisdiction may enter into an agreement with a nonprofit organization for the purpose of carrying out a grant, subject to the requirements of subdivision (a) of Section 23037.

(2) An amount not to exceed 2 percent of the allocation made by subparagraphs (C) and (E) of paragraph (6) of subdivision (a) of Section 23007 may be used for actual costs incurred in connection with the administration of the grants. Not more than 25 percent of any grant made pursuant to subparagraph (C) of paragraph (6) of subdivision (a) of Section 23007 may be expended for purposes of study, research, planning, construction and engineering documents, and administration. Not more than 25 percent of any grant made pursuant to subparagraph (E) of paragraph (6) of subdivision (a) of Section 23007 may be expended for archaeological survey and reports, special salvage excavation, and artifact preservation activities in conformance with accepted curation standards. The maximum amount of any grant authorized pursuant to subparagraphs (C) and (E) of paragraph (6) of subdivision (a) of Section 23007 shall not exceed one million dollars (\$1,000,000).

(3) The State Historical Resources Commission shall, based upon public hearings and active public participation, revise existing criteria and procedures for the selection of projects to be funded through the grants authorized by subparagraphs (C) and (E) of paragraph (6) of subdivision (a) of Section 23007. Priority shall be given to grants designed for the preservation of highly significant resources which are threatened with damage, deterioration, or destruction.

(4) To be eligible for funding, each project shall meet these criteria and procedures, and the preservation standards established by the State Office of Historic Preservation.

(b) For the purposes of subdivisions (a) and (f) of Section 23002, subparagraphs (C) and (E) of paragraph (6) of subdivision (a) of Section 23007, and subdivision (a) of this section, the terms "acquisition", "protection", "stabilization", "preservation", "rehabilitation", "restoration", and "reconstruction" shall be defined as in the Secretary of Interior's Standards and Guidelines for Historic Preservation Projects.

(c) Prior to recommending or approving expenditures pursuant to Section 23007 that involve the treatment of historic or archaeological resources, the state agency responsible for recommending or approving the expenditures shall determine that such treatments meet the Secretary of Interior's standards and other such historic preservation standards required by law. To the extent that the services of the State Office of Historic Preservation are utilized to conduct such reviews, the requesting state agency shall reimburse the office for the services requested and subsequently provided.

23014. The funds authorized in subparagraph (D) of paragraph (6) of subdivision (a) of Section 23007 shall be available as grants on a competitive basis to cities, counties, cities and counties, districts, local agencies, and nonprofit

organizations for the development, improvement, or rehabilitation of hiking, bicycling, wheelchair and handicapped accessible, jogging, and equestrian trails recognized in a local general plan, regional plan, master plan, or state plan. Priority shall be given to grants for regional trails which link lands owned by two or more public agencies, and which are jointly applied for by those agencies. Not less than four million dollars (\$4,000,000) shall be allocated for the development of regional recreational trail systems, located in metropolitan areas, that are designed to serve persons throughout the entire metropolitan area and that connect parks and open space and natural, educational, historical, and cultural resources.

23015. (a) The funds specified in subparagraph (H) of paragraph (6) of subdivision (a) of Section 23007 shall be available as grants on a competitive basis to local agencies for urban river parkway projects.

(b) In establishing the priority of projects submitted to the Department of Parks and Recreation for funding pursuant to subdivision (a), the department shall give preference to projects with the following characteristics:

(1) The project is a regional facility which will serve a metropolitan population.

(2) The project will provide recreational opportunities to low- and moderate-income neighborhoods that are underserved with parks, recreational areas, and natural areas.

(3) The project will preserve and restore wildlife habitat associated with a river or stream.

(4) The project will provide wildlife corridors.

(5) The project will provide linkages between existing recreation units or promote the expanded use of existing recreational units.

(6) The project is included in or referenced in the local agency's general plan; or a specific plan for the river parkway has been adopted by the local agency.

23016. (a) After one or more public hearings, the Department of Parks and Recreation shall adopt criteria and procedures to clarify or amplify the statutory criteria for evaluating applications for competitive grants specified in subparagraph (H) of paragraph (6) of subdivision (a) of Section 23007.

(b) The Department of Parks and Recreation may, as needed, and in accordance with the procedures specified in subdivision (a), revise existing criteria and procedures for evaluating applications for competitive grants specified in subparagraph (H) of paragraph (6) of subdivision (a) of Section 23007. All new, revised, and existing criteria shall be broadly disseminated.

(c) Individual applications for grants pursuant to subparagraphs (A), (B), (C), (D), (E), (F), (G), and (H) of paragraph (6) of subdivision (a) of Section 23007 shall be submitted to the Department of Parks and Recreation for approval as to conformity with the requirements of this chapter. Except for an application for a grant under subparagraphs (C), (E), (F) and (G) of paragraph (6) of subdivision (a) of Section 23007, the application shall be accompanied by certification from the planning agency of the applicant that the project for which the grant is applied is consistent with the park and recreation element of the applicable city's or county's or city and county's general plan or the district's or local agency's park and recreation plan and will satisfy a high priority need. In order to utilize available grant funds as effectively as possible, overlapping or adjoining jurisdictions are encouraged to combine projects and submit a joint application.

(d) *With the exception of grants provided under subparagraphs (A), (B) and (D) of paragraph (6) of subdivision (a) of Section 23007, the minimum amount that may be applied for any individual project is twenty thousand dollars (\$20,000).*

(e) *Any amount granted on a competitive basis pursuant to this chapter shall be in addition to, and not in lieu of, any other grant to which the applicant jurisdiction may be entitled to pursuant to this chapter or other funds that may also be used for the purpose for which the grant is applied.*

23017. (a) *No state grant funds authorized under Section 23007 may be disbursed unless the applicant agrees on behalf of itself and any successor, to each of the following:*

(1) *To maintain and operate the property acquired, developed, rehabilitated, or restored with the funds for a period commensurate with the type of project and the proportion of state grant money and local funds allocated to the capital costs of the project. With the approval of the granting agency, the applicant or its successors in interest in the property may transfer the responsibility to maintain and operate the property in accordance with this section.*

(2) *To use the property only for the purpose of this division and to not make and to not permit any other use, sale, or other disposition of the property, except as authorized by specific act of the Legislature.*

(b) *All applicants for a grant pursuant to Section 23007 shall submit an application to the administering agency for grant approval. Each application shall include, in writing, the agreements specified in subdivision (a).*

(c) *The agreements specified in subdivision (a) shall not prevent the transfer of property acquired, developed, rehabilitated, or restored with funds authorized pursuant to Section 23007 from the applicant to a public agency, provided the successor public agency assumes the obligation imposed by those agreements.*

(d) *If the use of the property acquired through grants pursuant to this division is changed to one other than permitted under the paragraph or subparagraph of Section 23007 from which the funds were appropriated, or the property is sold or otherwise disposed of, an amount equal to the greater of the (1) amount of the grant, (2) fair market value of the real property, or portion thereof acquired with the grant, or (3) the proceeds from the sale of the property, or portion thereof, acquired with the grant, shall be used by the grant recipient, subject to subdivision (a), for a purpose authorized in that paragraph or subparagraph or shall be reimbursed to the fund and be available for appropriation only for a use authorized in that paragraph or subparagraph.*

(e) *If a property, or portion thereof, was developed, enhanced, rehabilitated, or restored with funds granted pursuant to Section 23007, and the use of the property is changed to one other than permitted under the paragraph or subparagraph of Section 23007 from which the funds were appropriated, or the property is sold or otherwise disposed of, an amount equal to the greater of the (1) amount of the grant, or (2) the fair market value of those improvements, shall be used by the grant recipient, subject to subdivision (a), for a purpose authorized in that paragraph or subparagraph or shall be reimbursed to the fund and available for appropriation only for a use authorized in that paragraph or subparagraph.*

(f) *Funds appropriated for local assistance grants pursuant to Section 23007 shall be encumbered by the recipient within three years of the date that the appropriation became effective. Section 23042 shall govern the distribution of the funds.*

23018. All grant funds provided in subdivision (a) of Section 23007 shall be on a reimbursement basis with the local agency receiving reimbursement up to the approved grant amount upon completion of the project. The Department of Parks and Recreation may provide for reimbursement on an incremental basis.

23019. Funds allocated pursuant to paragraphs (2) and (3) of subdivision (a) of Section 23007 shall be appropriated primarily for projects that accomplish one or more of the following:

(a) Serve metropolitan population centers and accommodate day-use and weekend-overnight visits.

(b) Provide for the development of existing units with the minimum facilities necessary for accessibility, use, and interpretation.

(c) Rehabilitate facilities at existing units that will provide for more efficient management and reduced operational costs.

(d) Minimize dependence on motor vehicles and reduce other forms of energy and water consumption through appropriately designed facilities.

(e) Complete ongoing projects, including those begun under the California Wildlife, Coastal, and Park Land Conservation Act (Division 5.8 (commencing with Section 5900)) approved by the California voters at the June 7, 1988, direct primary election.

(f) Preserve examples of historical and cultural resources, natural resources, and natural landscapes that are underrepresented in the state park system.

(g) Preserve natural and cultural resources of statewide significance.

23020. (a) Any person may nominate a project to be funded pursuant to paragraphs (2) and (3) of subdivision (a) of Section 23007 for study by the Department of Parks and Recreation. The State Park and Recreation Commission shall nominate projects after holding at least one public hearing to seek project proposals from individuals, citizen groups, the Department of Parks and Recreation, and other public agencies.

(b) The Department of Parks and Recreation shall study any nominated project. In addition to the procedures required by Section 5006, the department shall submit annually to the Legislature and to the Secretary of the Resources Agency a report consisting of a prioritized listing and comparative evaluation of all projects nominated for study, in accordance with the following schedule:

(1) January 31, 1995, for projects nominated prior to October 1, 1994.

(2) June 1, 1995, and each June 1 thereafter, for projects nominated between October 1, 1994 and January 31, 1995, and before each January 31 thereafter.

(c) Nominated projects shall be forwarded by the Secretary of the Resources Agency to the Director of Finance for inclusion in the Budget Bill.

23020.5. Not less than one-third of the funds allocated in each of subparagraphs (A) and (B) of paragraph (3) of subdivision (a) of Section 23007 shall be spent for minor and major capital outlay projects, and for Category II projects costing over fifty thousand dollars (\$50,000) each, including projects for the repair, restoration, rehabilitation, and replacement of worn, damaged, obsolete, and undersized facilities, structures, and utilities within the state park system.

23021. In the allocation of funds pursuant to paragraph (2) of subdivision (a) of Section 23007, added consideration shall be given to projects in areas previously underserved by the state park system.

23022. Funds allocated pursuant to subparagraph (B) of paragraph (3) of subdivision (a) of Section 23007 shall be available for inland resources and lakes, reservoirs, and waterways within the state park system, including State Water

Facilities, as defined in paragraphs (1) to (4), inclusive, of subdivision (d) of Section 12934 of the Water Code, within the state park system.

23023. (a) *Funds allocated pursuant to subparagraph (C) of paragraph (3) of subdivision (a) of Section 23007 shall be available for interpretive facilities that support volunteer programs for the state park system.*

(b) *Projects for the state park system funded pursuant to subparagraph (H) of paragraph (3) of subdivision (a) of Section 23007 shall meet the preservation standards established by the State Office of Historic Preservation.*

23024. *In making expenditures in the various specific allocation categories of paragraph (3) of subdivision (a) of Section 23007, at least five million dollars (\$5,000,000) shall be spent for the development or rehabilitation of campgrounds in the state park system, including camper-serving facilities, common areas, and protection and restoration of natural features within campgrounds.*

23025. *Funds allocated pursuant to subparagraph (E) of paragraph (3) of subdivision (a) of Section 23007 shall be available for the development or rehabilitation of trails within the state park system or connecting units of the state park system.*

23026. (a) *Work efforts for natural heritage stewardship purposes pursuant to subparagraph (F) of paragraph (3) of subdivision (a) of Section 23007 may include, but are not limited to, objectives such as the control of major erosion and geologic hazards, the restoration of critical plant and animal habitat, the control and elimination of exotic species encroachment, the stabilization of coastal dunes and bluffs, and the planning necessary to implement those objectives. These efforts shall not include activities which merely supplement normal state park system operations or which are usually funded from other sources.*

(b) *Projects for cultural heritage stewardship purposes funded pursuant to subparagraph (D) of paragraph (3) of subdivision (a) of Section 23007 may include, but are not limited to, stabilization and protection of historical and archaeological resources in the state park system. These projects do not include the rehabilitation, restoration, reconstruction, interpretation, or mitigation typically required as part of the facility development program. These projects shall not include activities which merely supplement normal state park operations or which are usually funded from other sources.*

23027. *Funds allocated pursuant to subdivision (j) of Section 23007 shall be available for grants to local public agencies and nonprofit organizations by the Department of Water Resources for the acquisition or restoration of natural lands that contain urban streams, creeks, and riparian areas; for related state administrative costs as specified in that subdivision, and for use by the Department of Water Resources to provide planning and design assistance at the request of local agencies and nonprofit organizations, in an amount not to exceed 15 percent of the amount available for grants in any fiscal year, in accordance with Section 7048 of the Water Code.*

23028. *Any conservation easements acquired pursuant to this division shall be acquired in perpetuity and shall comply with applicable provisions of state law.*

23029. *If the Director of Parks and Recreation finds that the use would be compatible with the ultimate use of the real property as a unit, or part of a unit, of the state park system and with the sound management and conservation of resources within the unit, the director may make agreements with respect to any real property acquired pursuant to paragraph (2) or (5) of subdivision (a) of Section 23007 for the continued tenancy of the seller of the property for a period of time and under conditions that may be mutually agreed upon by the state and*

the seller so long as the seller promises to pay the taxes on his or her interest in the property that become due, owing, or unpaid on the interest created by the agreement, and so long as the seller conducts any operations on the land according to specifications issued by the appropriate director or officer to protect the property for the public use for which it was acquired. A copy of the agreement shall be filed with the county clerk in the county in which the property is located. The arrangement shall be compatible with the operation of the area by the state, as determined by the appropriate director or officer.

23030. *All grants, gifts, devises, or bequests to the state, conditional or unconditional, for park, conservation, recreation, or other purposes for which real property may be acquired or developed pursuant to this chapter, may be accepted and received on behalf of the state by the appropriate departmental director with the approval of the Director of Finance. The grants, gifts, devises, or bequests shall be available, when appropriated by the Legislature, for expenditure for the purposes specified in Section 23007.*

23031. *Real property acquired for the state park system shall consist predominantly of open or natural lands, including lands under water capable of being utilized for recreational purposes, and lands necessary for the preservation of coastal, archaeological, or historical resources. Notwithstanding Section 23022, no funds derived from the bonds authorized by this division shall be expended for the construction of any reservoir designated as a part of the "State Water Facilities," as defined in subdivision (d) of Section 12934 of the Water Code.*

23032. *Prior to approving the acquisition of lands that are located on or near tidelands, submerged lands, swamp or overflowed lands, whether or not those lands have been granted in trust to a local public agency, the state agency responsible for approving the acquisition shall submit to the State Lands Commission any proposal for the acquisition of those lands pursuant to this division. The State Lands Commission shall, within 60 days of submittal, review the proposed acquisition, make a determination as to the state's existing or potential interest in the lands, and report its findings to the public agency proposing to acquire the land, to the Department of Parks and Recreation, and to the Department of General Services.*

23033. (a) *Any lands acquired within Sections 2, 10, 11, 12, 13, 14, 15, 22, 23, and 26, and within the southeast quarter of Section 3, of Township 5 South, Range 4 East, San Bernardino Base and Meridian, with funds made available pursuant to this division shall be subject to this section.*

(b) *Any lands shall, upon acquisition, be offered to the United States to be conveyed in trust for the Agua Caliente Band of Cahuilla Indians as part of the Agua Caliente Indian Reservation on the following conditions:*

(1) *The lands shall be administered by the Agua Caliente Band of Cahuilla Indians as additions to the existing tribal reserves established by Section 3(c) of the act of September 21, 1959 (73 Stats. 603, P.L. 86-339).*

(2) *The lands shall be open to the public, subject to reasonable restrictions such as those currently in effect for existing tribal reserve lands.*

(3) *The lands shall be used for protection of wildlife habitat and other natural resources, preservation of open space, provision of recreation, preservation of native palms and other plants and animals native to the area, and the preservation in place or the respectful public display, at the option of the Agua Caliente Band of Cahuilla Indians, of the archaeological and cultural resources of the area.*

(c) *No existing tribal reserve lands shall be acquired pursuant to this division.*

(d) No land within the boundaries of the Agua Caliente Indian Reservation shall be acquired unless approved by the Agua Caliente Band of Cahuilla Indians.

(e) This section is not intended to restrict the acquisition of suitable lands outside the exterior boundaries of the Agua Caliente Indian Reservation for transfer to the Indian Canyons Heritage Park or for management in conjunction with the management of that park.

23034. *The Wildlife Conservation Board shall give high priority to acquiring lands containing Valley Oaks, old growth Ponderosa Pines, and oak communities in the Sierra Nevada foothills while carrying out the requirements of subdivision (b) of Section 23007 if such acquisitions are compatible with the other requirements of that subdivision.*

23035. *An application for a grant pursuant to subdivision (a) of Section 23007 shall be submitted to the Director of Parks and Recreation for review and approval; an application for a grant pursuant to subdivision (b) of Section 23007 shall be submitted to the Executive Director of the Wildlife Conservation Board for review and approval; an application for a grant pursuant to subdivision (c) of Section 23007 shall be submitted to the Executive Officer of the State Coastal Conservancy for review and approval; an application for a grant pursuant to subdivision (d) of Section 23007 shall be submitted to the Executive Director of the Santa Monica Mountains Conservancy for review and approval; an application for a grant pursuant to subdivision (e) of Section 23007 shall be submitted to the Executive Officer of the California Tahoe Conservancy for review and approval; an application for a grant pursuant to subdivision (f) of Section 23007 shall be submitted to the Director of Conservation for review and approval; an application for a grant pursuant to subdivision (g) of Section 23007 shall be submitted to the Director of Forestry and Fire Protection for review and approval; an application for a grant pursuant to subdivision (i) of Section 23007 shall be submitted to the Director of Boating and Waterways for review and approval; and an application for a grant pursuant to subdivision (j) of Section 23007 shall be submitted to the Director of Water Resources for review and approval.*

23036. *(a) Of the funds received by the City of Los Angeles pursuant to subparagraphs (A) and (B) of paragraph (6) of subdivision (a) of Section 23007, not less than two million dollars (\$2,000,000) shall be spent to acquire land to expand Elysian Park. If these funds cannot be spent by July 1, 2000, they may be used for other purposes specified in subparagraphs (A) and (B) of paragraph (6) of subdivision (a) of Section 23007.*

(b) In addition to any other authorized purposes, the City of Long Beach may use any funds it receives pursuant to subparagraphs (A) and (B) of paragraph (6) of subdivision (a) of Section 23007 for capital outlay projects under clauses (ii) and (iii) of subparagraph (T) of paragraph (7) of subdivision (a) of Section 23007.

23037. *(a) Funds granted pursuant to Section 23007 may be expended for development, rehabilitation and restoration only on lands owned by, or subject to a lease or other interest held by, the applicant local agency, city, county, city and county, district, nonprofit organization, or applicable state agency. If those lands are not owned by the applicant or the state agency, the applicant or the agency shall first demonstrate to the satisfaction of the administering agency that the project will provide public benefits commensurate with the type and duration of interest in land held by the applicant or agency.*

(b) No funds shall be allocated to the purchase or improvement of property which otherwise would have to be purchased, improved, donated, or dedicated due to the requirements of the California Environmental Quality Act (Division 13 (commencing with Section 21000)), other mitigation requirements, or other natural resource protection laws or regulations.

23038. Every expenditure pursuant to this division shall comply with the California Environmental Quality Act (Division 13 (commencing with Section 21000)).

23039. No state funds authorized under Section 23007 may be disbursed unless the applicant agrees to the conditions in Section 5919 as applicable to this chapter, and to the extent that Section 5919 is compatible with Section 23017. To the extent that Sections 5919 and 23017 are incompatible, the provisions of Section 23017 shall prevail.

23040. The provisions of subdivision (a) of Section 5920 apply to property acquired pursuant to this division.

23041. (a) With respect to Section 23007, all appropriations for the purposes of paragraphs (1) and (2) of subdivision (a), subparagraphs (A) to (F), inclusive, and subparagraph (H) of paragraph (3) of subdivision (a), paragraphs (4) and (6) of subdivision (a), paragraphs (1), (2), (3), and (4) of subdivision (b), paragraph (1) of subdivision (c), subdivisions (e), (g), and (i), and paragraph (1) of subdivision (j) shall be included in a section of the Budget Bill for the 1994-95 fiscal year and each succeeding fiscal year for consideration by the Legislature and shall bear the caption "California Safe Neighborhood Parks, Gang Prevention, Tree Planting, Wildlife, Coastal, Senior Center, Park, Wetlands, Rivers, Forest and Agricultural Land Conservation Act of 1994 Program." The section shall contain separate items for each project, each class of project, or each element of the program for which an appropriation is made.

(b) All appropriations specified in subdivision (a) of this section are subject to all limitations enacted in the Budget Act and to all fiscal procedures prescribed by law with respect to the expenditure of state funds unless expressly exempted from those laws by a statute enacted by the Legislature. The Budget Act shall contain proposed appropriations only for the program elements and classes of projects contemplated by this division, and no funds derived from the bonds authorized by law for the purposes of this division may be expended pursuant to an appropriation not contained in those sections of the Budget Act.

(c) Notwithstanding Section 13340 of the Government Code and subdivisions (a) and (b) of this section, ten million dollars (\$10,000,000) of the funds described in subparagraph (A) of paragraph (3) of subdivision (a) of Section 23007, and ten million dollars (\$10,000,000) of the funds described in subparagraph (B) of paragraph (3) of subdivision (a) of Section 23007 are hereby appropriated, without regard to fiscal year, directly to the Department of Parks and Recreation for the purposes specified in those subparagraphs. Not more than 2 percent of these funds may be used for pre-planning purposes.

(d) Notwithstanding Section 13340 of the Government Code and subdivisions (a) and (b) of this section, five million dollars (\$5,000,000) of the funds described in paragraph (1) of subdivision (c) of Section 23007 are hereby appropriated, without regard to fiscal year, directly to the State Coastal Conservancy for the purposes specified in that paragraph.

(e) Notwithstanding Section 13340 of the Government Code, all funds not described in subdivision (a) of this section are hereby appropriated, without

regard to fiscal year, directly to the state agency which is to administer them. These funds are not subject to appropriations by the Legislature except as provided in Section 23042.

23042. (a) (1) With respect to Section 23007, if any money allocated pursuant to paragraphs (5) and (7) of subdivision (a) of Section 23007, paragraphs (5) to (75), inclusive, of subdivision (b) of Section 23007, or paragraphs (2) to (82), inclusive, of subdivision (c) of Section 23007 is not expended prior to July 1, 2004, the agency to which the funds were originally allocated shall submit to the Legislature a plan for expenditure of the funds in accordance with the purposes of this division within a county or counties in which the funds were originally authorized to be expended, and the Legislature may approve the plan pursuant to appropriation through the Budget Act. If the reallocated funds are not expended within five years after the effective date of that statute, the Legislature may, through the Budget Act, reallocate the funds for expenditure in the area of the state with the greatest need consistent with the purposes of this division.

(2) If the agency fails to submit a plan as provided in paragraph (1) of this subdivision, the Legislature may, through the Budget Act, reallocate the funds for expenditure in the area of the state with the greatest need consistent with the purposes of this division.

(3) If a plan submitted by an agency under paragraph (1) of this subdivision is not enacted by March 1, 2006, the Legislature may, through the Budget Act, reallocate the funds for expenditure in the area of the state with the greatest need consistent with the purposes of this division.

(b) In the event that any local agency named in this division is dissolved prior to receiving funds to which it was entitled pursuant to this division, those funds shall be transferred to the public agency designated to assume the duties of the dissolved local agency and shall be expended by that public agency for the same purpose or project in accordance with this division.

(c) In the event that any nonprofit organization, which is named in this division or receives funds pursuant to this division, is anticipating dissolution, it may, with the approval of the state or local agency which provided the funds through grant or contract, transfer its entitlement to the funds or the funds in its possession to another qualified nonprofit organization that agrees to expend the funds for the same purpose or project in accordance with this division. In the event that the nonprofit organization dissolves without arranging for the transfer of the funds, upon dissolution the funds shall be retained by, or shall revert to, the state or local agency authorized by this division to grant the funds to the nonprofit organization, and that state or local agency shall expend the funds for the same purpose or project in accordance with this division.

23043. The qualification for, or allocation of, a grant or grants to a local agency or nonprofit organization under one subdivision, paragraph, or subparagraph of Section 23007 shall not preclude eligibility for an additional allocation of grant funds to the same local agency or nonprofit organization pursuant to another subdivision, paragraph, or subparagraph of Section 23007.

23044. In implementing this division, the state or local agency that manages lands acquired with funds appropriated by this division shall prepare, with appropriate public participation, a management plan for lands that have been acquired, which plan shall reasonably reduce conflicts with neighboring land uses and landowners, including agriculturalists.

23045. (a) If any state agency designated in Section 23007 ceases to exist, or is otherwise unable to expend the funds appropriated by Section 23007 to that

agency, the Wildlife Conservation Board or its successor agency shall expend the same funds for the same purposes as designated in Section 23007.

(b) (1) Any state or local agency that expends any funds appropriated by this division shall in the expenditure of those funds, to the maximum extent feasible, utilize the services of the California Conservation Corps and local community conservation corps as defined in Section 14507.5, or as certified to be eligible according to subdivision (d) of this section.

(2) Notwithstanding paragraph (1) of this subdivision, in the expenditure of funds allocated in this division in Humboldt, Mendocino, and Del Norte Counties for ecological and fishery restoration projects and other development purposes, first priority shall be given by any public agency receiving funds pursuant to this division to hiring and training workers from the fishing and timber industries who are unemployed or underemployed.

(c) Access for public recreation, education, and enjoyment shall be provided on, or if presently infeasible, included in the acquiring agency's long term plans for, natural lands acquired pursuant to this division, to the extent that those activities can occur on those lands without detriment to native plants, wildlife, and their habitats; cultural and archaeological features; or any other resource values for which the lands are acquired. Other improvements on those lands shall be restricted to the minimal facilities that are essential to the safety and comfort of the visiting public or that interpret the significance of the lands and their setting for the purpose for which the lands were acquired.

(d) The California Conservation Corps shall establish criteria regarding the eligibility of community conservation corps to receive funds pursuant to this division which do not meet the criteria of Section 14507.5, but which serve largely the same purpose and are structured similarly as those corps which do meet the criteria of Section 14507.5. Those corps certified by the California Conservation Corps pursuant to this subdivision shall be eligible to receive funding pursuant to this division in each case that community conservation corps are so eligible.

23046. The California Safe Neighborhood Parks, Gang Prevention, Tree Planting, Wildlife, Coastal, Senior Center, Park, Wetlands, Rivers, Forest and Agricultural Land Conservation Fund of 1994 is hereby created.

23047. (a) In areas where habitats are or may become isolated or fragmented, preference shall be given by the agencies expending money pursuant to this division to projects which will serve as corridors linking otherwise separated habitat so that the integrity and genetic diversity of wildlife populations will be maintained.

(b) (1) Within the total amount of each grant to a local agency for purposes of land acquisition, and within the total amount allocated for each acquisition made by a state agency, funds for capital outlay purposes may be included in the grant or allocation for the acquisition to develop a management plan for the property, to allow the development of public access, and to maintain and restore the natural values for which the property is being acquired.

(2) The part of the grant or acquisition funds spent on development of a management plan, development of public access, and to maintain and restore natural values may not exceed 5 percent of the purchase price of the property being acquired, except in cases where the acquisition is being made specifically for restoration or development, if so authorized by this division. If restoration or development are specifically authorized purposes of the acquisition, the costs of restoration or development may exceed 5 percent of the costs of acquisition. It is the intent of this division that development of property acquired pursuant to this

division be solely for the purposes stated in this subdivision, except as otherwise authorized in this division, and not to provide for intensive recreational development, especially of a type which would degrade the habitat values of the natural lands being acquired or restored. The development generally contemplated to be permitted by this section includes parking which does not degrade habitat values, picnic facilities, trails, and other minimal recreational facilities, including those required to meet the access requirements of handicapped individuals.

(3) This section does not apply to funds expended pursuant to paragraph (6) of subdivision (a) of Section 23007, or paragraph (2) of subdivision (e) of Section 23007.

23048. In addition to any contracting authority a state or local public agency has, any state or local public agency receiving funds pursuant to this division may contract with a nonprofit organization or another state or local agency to assist, or cooperate with, the recipient public agency in carrying out the project funded pursuant to this division.

23049. In addition to the authority granted to the Wildlife Conservation Board in Chapter 4 (commencing with Section 1300) of Division 2 of the Fish and Game Code, in order to expend the funds authorized to be spent by the Wildlife Conservation Board pursuant to this division, the Wildlife Conservation Board may also make grants to local agencies and nonprofit organizations to carry out the purposes of this division.

23050. (a) Notwithstanding Section 11005 of the Government Code, any contract for the acquisition or hiring of real property in fee or in any lesser estate or interest, entered into under this division by or on behalf of the Wildlife Conservation Board, the Department of Fish and Game, the Department of Parks and Recreation, or the Coachella Valley Mountains Conservancy, shall not require approval by the Director of General Services if all of the following occur in connection with such contract:

(1) The consideration to be paid by the state is not more than the fair market value of the interest to be received by the state under such contract.

(2) An appraisal or other appropriate estimate of the fair market value of the interest to be received by the state under such contract has been, prior to commencement of negotiations, reviewed and approved by the Department of General Services.

(3) The acquisition or hiring of real property is carried out in compliance with Chapter 16 (commencing with Section 7260) of Division 7 of Title 1 of the Government Code.

(b) Notwithstanding Sections 33203 and 33211 of the Public Resources Code, and Part 11 (commencing with Section 15850) of Division 3 of Title 2 of the Government Code, the Santa Monica Mountains Conservancy may select and acquire on behalf of the state, any interest in real or personal property or secured interests therein pursuant to this division or pursuant to Division 23 (commencing with Section 33000) of the Public Resources Code, and the provisions of Section 11005 of the Government Code shall not apply to such acquisitions. Pursuant to approval by the Santa Monica Mountains Conservancy in accordance with Division 23 (commencing with Section 33000) of the Public Resources Code, the Santa Monica Mountains Conservancy may also lease, rent, sell, exchange or otherwise transfer land or interest therein, and, notwithstanding Section 33203 of the Public Resources Code, the provisions of Section 11005.2 of the Government Code shall not apply to such transactions.

(c) Notwithstanding Section 31107 of the Public Resources Code, the State Coastal Conservancy may select and acquire on behalf of the state, real property or any interests therein pursuant to this division or pursuant to Division 21 (commencing with Section 31000) of the Public Resources Code, and the provisions of Sections 11005 and 15853 of the Government Code shall not apply to such acquisitions. Pursuant to approval by the State Coastal Conservancy in accordance with Division 21 (commencing with Section 31000) of the Public Resources Code, the State Coastal Conservancy may also lease, rent, sell, exchange, or otherwise transfer land or interest therein, and, notwithstanding Section 31107 of the Public Resources Code, the provisions of Section 11005.2 of the Government Code shall not apply to such transactions.

(d) The California Tahoe Conservancy may select and acquire on behalf of the state, real property or any interests therein pursuant to this division or pursuant to Title 7.42 (commencing with Section 66905) of the Government Code, and the provisions of Section 11005 of the Government Code shall not apply to such acquisitions, if the provisions of paragraphs (1) or (2) of this subdivision are satisfied.

(1) (A) The consideration to be paid by the state is not more than the fair market value of the interest to be received by the state under such contract;

(B) An appraisal or other appropriate estimate of the fair market value of the interest to be received by the state under such contract has been, prior to completion of negotiations, reviewed and approved by the Department of General Services; and

(C) The acquisition or hiring of real property is carried out in compliance with Chapter 16 (commencing with Section 7260) of Division 7 of Title 1 of the Government Code; or,

(2) The transaction is part of an overall settlement of litigation entered into by the California Tahoe Conservancy with or upon the advice of the Office of the Attorney General.

(e) Notwithstanding the geographic limitations in Division 21 (commencing with Section 31000), the State Coastal Conservancy may undertake projects or award grants for protection of agricultural lands or agricultural production, pursuant to Division 21 (commencing with Section 31000), in an area that lies partly or wholly outside the coastal zone but within a coastal county at the request of the local public agency or agencies having jurisdiction over the project area.

23051. No appropriation to any agency or for any project or purpose shall be interpreted to limit the amount of money any state or local agency may spend for that project or purpose.

23052. Any expenditure by a state agency, or grant to a local agency, for the purpose of revegetation, reforestation, or urban tree planting may include within the allocated amount sufficient funds to maintain the vegetation for up to the first three years after planting.

23054. (a) The Department of Parks and Recreation shall establish criteria for the competitive grants programs for capital outlay park and recreation projects made pursuant to subparagraph (G) of paragraph (6) of subdivision (a) of Section 23007, and subparagraphs (N) and (O) of paragraph (7) of subdivision (a) of Section 23007. Priority for these grants shall be given to all of the following:

(1) *Projects that are most likely to succeed in preventing or alleviating gang involvement, juvenile delinquency, criminal activity, substance abuse, adolescent pregnancy, or school drop-out or failure.*

(2) *Projects in low-income neighborhoods that are currently underserved by park and recreation facilities.*

(3) *Projects that are combined with other recreation and service facilities.*

(4) *Projects proposed by public agencies and nonprofit organizations who have a demonstrated history and measurable success in gang intervention and prevention, or an ability to work with at-risk youth, or both.*

(5) *Joint applications by a public agency and a nonprofit organization whose primary focus is working with at-risk youth and gang members.*

(6) *Applications which include a nonprofit organization which agrees to and can demonstrate the ability to operate and maintain the facility to be constructed or developed on a long-term basis.*

(7) *Applications which include community conservation corps.*

(b) *The Department of Parks and Recreation shall hold one public hearing in northern California and one hearing in southern California before preparing criteria pursuant to subdivision (a).*

(c) *All applications for these funds shall include a detailed plan which identifies and addresses the specific and different recreational needs of both boys and girls, and which provides specific facilities to meet these needs.*

23055. *Within competitive grant programs made within urban areas by the Department of Parks and Recreation pursuant to paragraph (6) of subdivision (a) of Section 23007, priority shall be given to those proposals which provide for the employment of youth, both boys and girls, and particularly at-risk youth, from the area in which the proposed project is located, or which include, or are to be administered by, a nonprofit organization with a demonstrated history of youth employment, gang prevention and intervention, and training programs for at-risk youth, including local community conservation corps.*

23056. *No provision of this division shall be construed as authorizing the condemnation of state lands.*

23057. *Landscaping, tree-planting, or any other planting projects funded pursuant to this division shall use highly efficient irrigation systems and shall use California native drought-resistant or xerophytic trees, plants, lawn, or sod, except when use of such California native plants is infeasible or undesirable. In such cases, nonnative drought-resistant or xerophytic plants may be used. If the use of such plants is infeasible or undesirable, other plants may be used. When projects involve the rehabilitation of existing irrigation systems or the creation of new long-term irrigation systems, reclaimed water should be used whenever possible and priority shall be given to the development of reclaimed water irrigation systems. The Department of Water Resources shall develop criteria to be used in determining whether irrigation systems are highly efficient.*

23058. (a) *Of the funds transferred to the Habitat Conservation Fund pursuant to Section 2795 of the Fish and Game Code during the 1994-95 through 1998-99 fiscal years, a total of not less than five million dollars (\$5,000,000) shall be appropriated for the capital outlay projects for the protection, restoration and enhancement of wild trout, including acquisition of riparian lands and water rights along designated wild trout waters, resident trout waters, and bodies of water containing endangered, threatened, or candidate species of native resident trout.*

(b) Of the funds transferred to the Habitat Conservation Fund pursuant to Section 2795 of the Fish and Game Code during the 1994-95 through 1996-97 fiscal years, a total of not less than five million dollars (\$5,000,000) shall be appropriated for the acquisition, restoration, and enhancement of critical habitat and open space lands by the State Coastal Conservancy at and near Upper Newport Bay, and for capital outlay projects for the interpretation of those lands, if in the judgement of the conservancy a viable wildlife and open space preservation project can be accomplished at the bay.

23059. Consistent with other provisions of this division, in the expenditure of funds spent by a state agency, or granted by a state agency to a local agency or nonprofit organization for the purpose of wildlife conservation, highest priority shall be given to projects which comply with the criteria of the Habitat Conservation Program pursuant to Article 2 (commencing with Section 2720) of Chapter 7.5 of Division 3 of the Fish and Game Code, excepting Sections 2720 and 2722 of, subdivision (a) of Section 2723 of, and Sections 2724 and 2729 of, the Fish and Game Code. This section shall not be construed to interfere with or replace any specific authorization or condition of expenditure pursuant to any other section of this division.

23060. Funds authorized pursuant to subparagraph (F) of paragraph (6) of subdivision (a) of Section 23007 shall be granted in a competitive program established by the Department of Parks and Recreation. No grant shall exceed five hundred thousand dollars (\$500,000). A community conservation corps is eligible to receive more than one grant. Grants shall be for capital outlay projects implemented by community conservation corps for the purpose of environmental conservation, including, but not limited to, fish and wildlife habitat restoration and enhancement; improvement of park and recreation facilities; trail construction and restoration; restoration of urban streams, reforestation, and wetlands restoration. Grants shall not be made for projects whose primary purpose is flood control. A community conservation corps may apply for a grant jointly with the California Conservation Corps.

23061. Revenue received by the Wildlife Conservation Board or the Department of Fish and Game from the lease of lands purchased or owned by the board or the department shall be available only for use by the board or the department for an existing board or department program which is comparable to the program originally used to purchase or acquire the lands. Notwithstanding Section 13340 of the Government Code, these funds are appropriated, as appropriate, directly to the board or the department, and may be expended by the board or the department without appropriation by the Legislature. The Legislature may not appropriate these funds for any other purpose.

23062. Any agency eligible to receive funds pursuant to subparagraph (A) or (B) of paragraph (6) of subdivision (a) of Section 23007 shall have at least one public hearing regarding the agency's proposed expenditure of funds to be received from those programs. Public notice of the hearing or hearings shall be pursuant to the public notice requirements of the regular meetings of the agency. An accurate summary of the public testimony received at the public hearing shall be transmitted to the Department of Parks and Recreation along with the application for funds.

23063. Any funds to be expended by the Wildlife Conservation Board pursuant to subdivision (b) of Section 23007 may be expended at the discretion of the board pursuant to the Inland Wetlands Conservation Program created through Section 1410 of the Fish and Game Code, or pursuant to the Riparian

Habitat Conservation Program created through Section 1387 of the Fish and Game Code if consistent with, and for the purposes stated in, the respective subparagraph or paragraph in which the item is included. This section shall not be construed to interfere with, or replace, any specific authorization of expenditure pursuant to any other section of this division.

23064. *The Wildlife Conservation Board and the State Coastal Conservancy shall jointly appoint a citizen advisory committee of persons interested in coastal and other land and water conservation programs to advise the board, the conservancy, and the Department of Water Resources on the expenditure of funds pursuant to subdivisions (b), (c), and (j) of Section 23007 in Santa Barbara County. All expenditures by the board, the conservancy, and the Department of Water Resources in Santa Barbara County shall be done in consultation with the committee and Santa Barbara County.*

23065. *The Department of Conservation is authorized to make grants to public agencies and nonprofit organizations for the purpose of agricultural land preservation in carrying out the program authorized in subdivision (f) of Section 23007. The department may adopt regulations or guidelines to carry out this section.*

23066. *It is the intent of the people in approving this division to ensure that park, recreation, open space, and wildlife protection programs be implemented as efficiently and effectively as possible, and that any waste and inefficiency be eliminated. For this reason, it is the intent of the people to reduce unnecessary and duplicative bureaucratic requirements that could potentially waste funds approved pursuant to this division.*

23067. *Section 5358 of the Elections Code does not apply to this division.*

23068. *Funds allocated to the Los Angeles County Regional Park and Open Space District pursuant to subparagraphs (A) and (B) of paragraph (6) of subdivision (a) of Section 23007 shall be expended by the district on the acquisition and restoration of lands along the Los Angeles River or in significant ecological areas within Los Angeles County. These funds may also be spent to develop public access to these areas.*

23069. *No funds shall be deducted for administrative or other purposes by a state agency from any of the specific or competitive grants to local agencies or nonprofit organizations made pursuant to Section 23007.*

23070. *Notwithstanding the geographic limitations in Division 21 (commencing with Section 31000) or the program categories contained therein, the State Coastal Conservancy may undertake any project or award any grant for acquisition, enhancement, restoration, or development of lands funded pursuant to this division, in an area that lies partly or wholly outside the coastal zone, but within a coastal county. It may undertake such projects or award such grants provided it finds that the purpose of the project or grant is generally consistent with the policies and procedures contained in Division 21 (commencing with Section 31000). In the event that the State Coastal Conservancy finds that any project contained within this division is inconsistent with the policies and procedures contained in Division 21 (commencing with Section 31000), the Legislature shall appropriate any funds specifically designated for such project to another state department for the same project purposes.*

23071. *Concurrently with the acquisition of lands in fee simple under this division by the Wildlife Conservation Board, which acquisition would result in a cancellation of real property taxes, the board shall, at the option of the county in which the property is located, pay to the county an amount equal to three percent*

of the purchase price or three percent of the fair market value of the property, whichever is higher. Payment shall be made from funds available under this division for the acquisition of the property. Payment shall be made to the affected county within 30 days after transfer of title to the state. Payments made hereunder shall not be considered administrative expenses, but shall be considered major capital outlay expenditures as a part of the purchase price.

It is the intent of this section to provide a one-time payment to counties in lieu of real property tax revenues which would otherwise be collectible if the property remained privately owned. Whenever payment is made pursuant to this provision, no payment shall thereafter be required or made with regard to the acquired property pursuant to subdivision (a) of Section 1504 of the Fish and Game Code.

23072. None of the funds provided to the Santa Monica Mountains Conservancy or the Mountains Recreation and Conservation Authority by this division shall be used for the purpose of acquiring any improved real property used for nonprofit educational institutional purposes by the use of eminent domain.

CHAPTER 4. FISCAL PROVISIONS

24000. Bonds in the total amount of one billion nine hundred ninety-eight million dollars (\$1,998,000,000), exclusive of refunding bonds, or so much thereof as is necessary, may be issued and sold to be used for carrying out the purposes expressed in this division and to be used to reimburse the General Obligation Bond Expense Revolving Fund pursuant to Section 16724.5 of the Government Code. The bonds, when sold, shall be and constitute a valid and binding obligation of the State of California, and the full faith and credit of the State of California is hereby pledged for the punctual payment of both principal and interest as they become due and payable.

24001. The proceeds of bonds and notes issued and sold pursuant to this division shall be deposited in the fund.

24002. The bonds authorized by this division shall be prepared, executed, issued, sold, paid and redeemed as provided in the State General Obligation Bond Law (Chapter 4 (commencing with Section 16720) of Part 3 of Division 4 of Title 2 of the Government Code), and all provisions of that law shall apply to the bonds and are hereby incorporated in this division as though set forth in full in this division.

24003. (a) Solely for the purpose of authorizing the issuance and sale, pursuant to the State General Obligation Bond Law, of the bonds authorized by this division, the California Safe Neighborhood Parks, Gang Prevention, Tree Planting, Wildlife, Coastal, Senior Center, Park, Wetlands, Rivers, Forest and Agricultural Land Conservation Program of 1994 Finance Committee is hereby created. For purposes of this division, the California Safe Neighborhood Parks, Gang Prevention, Tree Planting, Wildlife, Coastal, Senior Center, Park, Wetlands, Rivers, Forest and Agricultural Land Conservation Program of 1994 Finance Committee is "the committee" as that term is used in the State General Obligation Bond Law. The committee shall consist of the Controller, the Director of Finance, and the Treasurer, or their designated representatives. The Treasurer shall serve as the chairperson of the committee. A majority of the committee may act for the committee.

(b) For purposes of this division and the State General Obligation Bond Law, the Department of Parks and Recreation, Wildlife Conservation Board, State Coastal Conservancy, Santa Monica Mountains Conservancy, the Controller, the Department of Water Resources, the Department of Boating and Waterways, the Department of Forestry and Fire Protection, the Department of Conservation, the

California Tahoe Conservancy, or any agency that receives an appropriation from these bond funds, depending on which agency has jurisdiction, is hereby designated as "the board".

24004. The committee shall determine whether or not it is necessary or desirable to issue bonds authorized pursuant to this division in order to carry out this division, and if so, the amount of bonds to be issued and sold. Successive issues of bonds may be authorized and sold to carry out those purposes progressively, and it is not necessary that all of the bonds authorized to be issued be sold at any one time.

24005. There shall be collected annually in the same manner and at the same time as other state revenue is collected, in addition to the ordinary revenues of the state, a sum in an amount required to pay the principal of, and interest on, the bonds each year. It is the duty of all officers charged by the law with any duty in regard to the collection of the revenue to do and perform each and every act which is necessary to collect that additional sum.

24006. Notwithstanding Section 13340 of the Government Code, there is hereby appropriated from the General Fund, for the purposes of this division, an amount that will equal the total of the following:

(a) The sum annually necessary to pay the principal of, and interest on, bonds issued and sold pursuant to this division, as the principal and interest become due and payable.

(b) The sum which is necessary to carry out Section 24007, appropriated without regard to fiscal years.

24007. For the purposes of carrying out this division, the Director of Finance may authorize the withdrawal from the General Fund of an amount or amounts not to exceed the amount of unsold bonds which have been authorized by the committee to be sold for the purpose of carrying out those provisions. Any amounts withdrawn shall be deposited in the fund. Any money made available under this section shall be returned to the General Fund from money received from the sale of bonds which would otherwise be deposited in the General Fund.

24008. The board may request the Pooled Money Investment Board to make a loan from the Pooled Money Investment Account in accordance with Section 16312 of the Government Code, to carry out this division. The amount of the loan shall not exceed the amount of the unsold bonds which the committee has, by resolution, authorized to be sold for the purposes of this division. The board shall execute any documents as required by the Pooled Money Investment Board to obtain and repay the loan. Any amounts loaned shall be deposited in the fund to be allocated in accordance with this division.

24009. All money derived from premium and accrued interest on bonds sold shall be reserved and shall be available for transfer to the General Fund as a credit to expenditures for bond interest.

24010. Any bonds issued or sold pursuant to this division may be refunded by the issuance of refunding bonds in accordance with Article 6 (commencing with Section 16780) of Chapter 4 of Part 3 of Division 4 of Title 2 of the Government Code. Approval by the voters of the state for the issuance of the bonds shall include approval of the issuance of any bonds issued to refund any bonds originally issued or any previously issued refunding bonds.

24011. The people of California hereby find and declare that, inasmuch as the proceeds from the sale of bonds authorized by this division are not "proceeds of

taxes” as that term is used in Article XIII B of the California Constitution, the disbursement of these proceeds is not subject to the limitation imposed by that article.

24012. (a) It is the intent of the voters that only the General Fund be used to pay the principal and interest of the general obligation bonds authorized by this division.

(b) No funds from the Environmental Protection Fund (California Environmental License Plate Fund, Division 13.5, commencing with Section 21190), Habitat Conservation Fund (established pursuant to Section 2786 of the Fish and Game Code), Wildlife Restoration Fund, Cigarette and Tobacco Products Surtax Fund (commencing with Section 30122 of the Revenue and Taxation Code), Endangered and Rare Fish, Wildlife and Plant Species Conservation and Enhancement Account of the Fish and Game Preservation Fund or any other part of the Fish and Game Preservation Fund, State Highway Account, Transportation Planning and Development Account, or any other special fund created wholly or in part for the purposes of environmental protection shall be transferred to the General Fund for the purpose of paying or reimbursing the General Fund for paying the principal or interest of these bonds. No special fund created for the purposes of environmental protection created subsequent to the adoption of this division by the voters shall be transferred to the General Fund for the purpose of paying or reimbursing the General Fund for paying the principal or interest of these bonds unless specifically authorized in the statute or constitutional amendment originally creating the special fund.

24013. Notwithstanding any provision of this division or the State General Obligation Bond Law set forth in Chapter 4 (commencing with Section 16720) of Part 3 of Division 4 of Title 2 of the Government Code, if the Treasurer sells bonds pursuant to this division the interest on which is intended to be excluded from gross income for federal tax purposes, the Treasurer shall be authorized to maintain separate accounts for the investment of bond proceeds and the investment earnings on those proceeds, and the Treasurer shall be authorized to use or direct the use of those proceeds or earnings to pay any rebate, penalty, or other payment required under federal law or to take any other action with respect to the investment and use of bond proceeds required or desirable under federal law so as to maintain the tax-exempt status of those bonds and to obtain any other advantage under federal law on behalf of the funds of this state.

24014. (a) Notwithstanding Section 16312 of the Government Code, the interest on any loans made from the Pooled Money Investment Account to the fund for the purposes of carrying out the purposes of this division shall be paid from the General Fund.

(b) Notwithstanding Section 13340 of the Government Code, the amounts required to be paid pursuant to subdivision (a) are hereby continuously appropriated from the General Fund.

OTHER PROVISIONS

24021. (a) It is the intent of the people of California in adopting this division that, should any statute or amendment to the California Constitution be approved on June 7, 1994, that could prevent this division from taking effect, the people intend that this act go into effect, regardless of the passage of any such statute or constitutional amendment, and regardless of the number of votes received by any measure on the June 7, 1994, ballot.

(b) This division shall take effect notwithstanding any other provision of law.

24022. *It is the express intent of the voters that this division shall take effect and become operative at 12:01 a.m. on June 7, 1994.*

24023. *It is the express intent of the voters that this division shall take effect and become operative even if the California Constitution is amended at the June 7, 1994, election to prohibit or restrict the enactment of bonded indebtedness.*

24024. *This division does not, and is not intended to, amend the purposes or intent or allocation of funds of any other section of this code or the Fish and Game Code, unless otherwise specifically indicated.*

24025. *Acquisitions by the Department of Parks and Recreation for the state park system outside the Santa Lucia Mountains, acquisitions by the Wildlife Conservation Board, and acquisitions made pursuant to subdivision (j) of Section 23007 pursuant to this division shall be considered to be expenditures from the Habitat Conservation Fund created by Section 2786 of the Fish and Game Code if the expending agency makes a finding that each and every expenditure is identical in purpose to at least one of those required by Section 2786 of the Fish and Game Code. The expenditures made by the State Coastal Conservancy, Santa Monica Mountains Conservancy, California Tahoe Conservancy, and agencies receiving funds from the State Controller pursuant to this division are not to be counted as expenditures from the Habitat Conservation Fund, nor shall funds made available for expenditure by the conservancies pursuant to this division be transferred to the Habitat Conservation Fund. Nothing in this section is intended to amend or revise the requirements of Chapter 9 (commencing with Section 2780) of the Fish and Game Code with respect to geographical distribution of funds, or with respect to the annual allocation of the Habitat Conservation Fund for the purposes specified in Chapter 9.*

SECTION 3. Section 2787 of the Fish and Game Code is repealed.

2787. Notwithstanding Section 13340 of the Government Code, the money in the fund is continuously appropriated, without regard to fiscal years, as follows:

(a) To the Department of Parks and Recreation, four million five hundred thousand dollars (~~\$4,500,000~~) annually for allocation as follows:

(1) One million five hundred thousand dollars (~~\$1,500,000~~) for projects that are located in the Santa Lucia Mountain Range in Monterey County for expenditure by the Department of Parks and Recreation and for grants to the Monterey Peninsula Regional Park District.

(2) One million dollars (~~\$1,000,000~~) for acquisitions in, and adjacent to, units of the state park system.

(3) Two million dollars (~~\$2,000,000~~) for 50 percent matching grants to local agencies for projects meeting the purposes specified in Section 2786 and, additionally, for the acquisition of wildlife corridors and urban trails, nature interpretation programs, and other programs which bring urban residents into park and wildlife areas. The grants made pursuant to this subdivision are subject to the conditions of subdivision (d) of Section 5910, and Sections 5917 and 5919, of the Public Resources Code, as nearly as may be practicable.

(b) To the State Coastal Conservancy, four million dollars (~~\$4,000,000~~) annually.

(c) To the Santa Monica Mountains Conservancy, five million dollars (~~\$5,000,000~~) annually for the next 10 fiscal years, commencing with the 1990/91 fiscal year. The money shall be used for the purposes specified in Section 2786 for wildlife habitat, and for related open-space projects, within the Santa Monica Mountains Zone, the Rim of the Valley Corridor, and the Santa Clarita Woodlands. Of the total amount appropriated pursuant to this subdivision, not less than

a total of ten million dollars ~~(\$10,000,000)~~ shall be spent within the Santa Susana Mountains and the Simi Hills, and not less than a total of ten million dollars ~~(\$10,000,000)~~ shall be spent within the Santa Clarita Woodlands. These funds shall be expended in accordance with Division 23 ~~(commencing with Section 33000)~~ of the Public Resources Code during the operative period of this section as specified in subdivision ~~(f)~~ and in Section 2797. The Legislature may, by statute, extend the period for expenditure of the funds provided by this paragraph.

~~(d) To the California Tahoe Conservancy, five hundred thousand dollars (\$500,000) annually.~~

~~(e) To the board, the balance of the fund.~~

~~(f) This section shall become operative on July 1, 1990, and, as of July 1, 2020, is repealed, unless a later enacted statute, which becomes effective on or before July 1, 2020, deletes or extends that date.~~

SECTION 4. Section 2787 is added to the Fish and Game Code, to read:

2787. *Notwithstanding Section 13340 of the Government Code, the money in the fund is continuously appropriated, without regard to fiscal years, directly to the following designated agencies in the following amounts:*

(a) To the Department of Parks and Recreation, four million five hundred thousand dollars (\$4,500,000) annually for allocation as follows:

(1) One million five hundred thousand dollars (\$1,500,000) for projects that are located in the Santa Lucia Mountain Range in Monterey County for expenditure by the Department of Parks and Recreation and for grants to the Monterey Peninsula Regional Park District.

(2) One million dollars (\$1,000,000) for acquisitions in, and adjacent to, units of the state park system.

(3) Two million dollars (\$2,000,000) for 50 percent matching grants to local agencies for projects meeting the purposes specified in Section 2786 and, additionally, for the acquisition of wildlife corridors and urban trails, nature interpretation programs, and other programs which bring urban residents into park and wildlife areas. The grants made pursuant to this subdivision are subject to the conditions of subdivision (d) of Section 5910 of, and Sections 5917 and 5919 of, the Public Resources Code, as nearly as may be practicable.

(b) To the State Coastal Conservancy, four million dollars (\$4,000,000) annually.

(c) To the Santa Monica Mountains Conservancy, five million dollars (\$5,000,000) annually for the next 10 fiscal years, commencing with the 1990-91 fiscal year. The money shall be used for the purposes specified in Section 2786 for wildlife habitat, and for related open space projects, within the Santa Monica Mountains Zone, the Rim of the Valley Corridor, and the Santa Clarita Woodlands. Of the total amount appropriated pursuant to this subdivision, not less than a total of ten million dollars (\$10,000,000) shall be spent within the Santa Susana Mountains and the Simi Hills, and not less than a total of ten million dollars (\$10,000,000) shall be spent within the Santa Clarita Woodlands. These funds shall be expended in accordance with Division 23 (commencing with Section 33000) of the Public Resources Code during the operative period of this section as specified in subdivision (g) and in Section 2797. The Legislature may, by statute, extend the period for expenditure of the funds provided by this paragraph.

(d) To the California Tahoe Conservancy, five hundred thousand dollars (\$500,000) annually.

(e) *To the Coachella Valley Mountains Conservancy for the acquisition and protection of natural lands, and for related administrative costs, pursuant to Division 23.5 (commencing with Section 33500) of the Public Resources Code, three million dollars (\$3,000,000) in the 1994–95 fiscal year, nine million dollars (\$9,000,000) in the 1995–96 fiscal year, three million dollars (\$3,000,000) in the 1996–97 fiscal year, and three million dollars (\$3,000,000) in the 1997–98 fiscal year; provided, however, that, if at least six million dollars (\$6,000,000) is appropriated for expenditure by the Wildlife Conservation Board pursuant to subdivision (b) of Section 23007 of the Public Resources Code, the amount allocated to the Coachella Valley Mountains Conservancy in the 1994–95 fiscal year shall be augmented by six million dollars (\$6,000,000) and the amount allocated in the 1995–96 fiscal year shall be reduced by six million dollars (\$6,000,000). Of the total amount allocated to the Coachella Valley Mountains Conservancy, not less than eight million dollars (\$8,000,000) shall be expended for additions to the Indian Canyons Heritage Park and other acquisitions in the Palm Canyon watershed. Of the total amount expended pursuant to this subdivision, up to one percent may be expended for public access facilities, including signs and interpretive displays, consistent with the requirements of Section 2799.5 of this code and Section 33603 of the Public Resources Code.*

(f) *To the board, the balance of the fund.*

(g) *This section shall become operative on July 1, 1994, and, as of July 1, 2020, is repealed, unless a later enacted statute, which becomes operative on or before July 1, 2020, deletes or extends that date. The enactment of this section at the June 7, 1994, direct primary election shall not affect the allocation of funds made pursuant to subdivision (b) of Section 2797.*

SECTION 5. Section 33216 of the Public Resources Code is repealed.

33216. ~~Commencing July 1, 1995, it is the intent of the Legislature that no money be appropriated from the General Fund for the support of the conservancy. Other funding sources should be utilized on and after that date for the support of the conservancy, including, but not limited to, the Santa Monica Mountains Conservancy Fund, appropriate special funds, donations, and local funding sources. To ensure an orderly transfer of funding sources, the conservancy shall reduce operations to compensate for loss of General Fund support or seek additional non-General Fund sources of revenue.~~

SECTION 6. Section 33216 is added to the Public Resources Code, to read:

33216. *The people of California hereby find and declare that the continued existence of the conservancy is necessary to provide continuity for proper administration of lands acquired and programs implemented pursuant to this division for the benefit of the people of the State of California and that support of the conservancy is an appropriate expenditure from the General Fund.*

SECTION 7. Section 517 is added to the Public Resources Code, to read:

517. *As part of the intent of Section 15799 of the Government Code, timely construction of state park capital overlay projects is beneficial for the protection of state park resources, for the education and enjoyment of Californians, and for a healthy state economy. In addition to the powers specified in this division, the Department of Parks and Recreation is vested the powers, functions, and jurisdiction of the Office of the State Architect and the Department of General Services with respect to state park system facility planning, design, construction, contract administration, and professional services contracting.*

SECTION 8. Section 14956 of the Government Code is amended to read:

14956. This chapter, insofar as it vests in the State Architect general charge of the erection of all state buildings and require him or her to have an inspector assigned to each building during its construction, does not apply to the construction of any public works which is under the jurisdiction of the Department of Water Resources, *the Department of Parks and Recreation*, the Department of Boating and Waterways pursuant to Article 2.5 (commencing with Section 65) of Chapter 2 of Division 1 of the Harbors and Navigation Code, or the Department of Transportation.

SECTION 9. Section 10106 of the Public Contract Code is amended to read: 10106. "Department," as used in this part, means (a) the Department of Water Resources as to any project under the jurisdiction of that department, (b) the Department of General Services as to any project under the jurisdiction of that department, (c) the Department of Boating and Waterways as to any project under the jurisdiction of that department pursuant to Article 2.5 (commencing with Section 65) of Chapter 2 of Division 1 of the Harbors and Navigation Code, (d) the Department of Corrections with respect to any project under its jurisdiction pursuant to Chapter 11 (commencing with Section 7000) of Title 7 of Part 3 of the Penal Code, *(e) the Department of Parks and Recreation as to any project under the jurisdiction of the department*, and ~~(e)~~ (f) the Department of Transportation as to all other projects.

"Director," as used in this part, means the director of each department as defined herein respectively.

SECTION 10. Section 10110 of the Public Contract Code is repealed.

~~10110. Where the nature of the work is historic restoration for the state park system, as determined jointly by the director and the Director of Parks and Recreation, the department may authorize the carrying out of the project directly by the Department of Parks and Recreation.~~

~~If the estimated total cost of any construction project or work carried out under this section exceeds twenty-five thousand dollars (\$25,000), the Department of Parks and Recreation shall solicit bids in writing and shall award the work to the lowest responsible bidder or reject all bids. However, the director may authorize the Department of Parks and Recreation to carry out work in excess of twenty-five thousand dollars (\$25,000) under the provisions of this section by day labor if the director determines, in consultation with the Director of Parks and Recreation, that the award of a contract, the acceptance of bids, or the acceptance of further bids is not in the best interests of the state. The Department of Parks and Recreation shall establish, by regulation, criteria to be considered by the Department of Parks and Recreation in requesting authorization from the director to perform all or part of a project by day labor.~~

SECTION 11. Section 10107 of the Public Contract Code is amended to read:

10107. Whenever provision is made by law for any project which is not under the jurisdiction of the Department of Water Resources, *the Department of Parks and Recreation*, the Department of Boating and Waterways pursuant to Article 2.5 (commencing with Section 65) of Chapter 2 of Division 1 of the Harbors and Navigation Code, the Department of Corrections pursuant to Chapter 11 (commencing with Section 7000) of Title 7 of Part 3 of the Penal Code, or the Department of General Services, the project shall be under the sole charge and direct control of the Department of Transportation.

SECTION 12. Section 8352.4 of the Revenue and Taxation Code is amended to read:

8352.4. (a) Subject to Sections 8352 and 8352.1, there shall be transferred from the money deposited to the credit of the Motor Vehicle Fuel Account to the Harbors and Watercraft Revolving Fund, for expenditure in accordance with Division 1 (commencing with Section 30) of the Harbors and Navigation Code, the sum of six million six hundred thousand dollars (\$6,600,000) per annum, representing the amount of money in the Motor Vehicle Fuel Account attributable to taxes imposed on distributions of motor vehicle fuel used or usable in propelling vessels. The actual amount shall be calculated using the annual reports of registered boats prepared by the Department of Motor Vehicles for the United States Coast Guard and the formula and method of the December 1972 report prepared for this purpose and submitted to the Legislature on December 26, 1972, by the Director of Transportation. If the amount transferred during each fiscal year is in excess of the calculated amount, the excess shall be retransferred from the Harbors and Watercraft Revolving Fund to the Motor Vehicle Fuel Account. If the amount transferred is less than the amount calculated, the difference shall be transferred from the Motor Vehicle Fuel Account to the Harbors and Watercraft Revolving Fund. No adjustment shall be made if the computed difference is less than fifty thousand dollars (\$50,000), and the amount shall be adjusted to reflect any temporary or permanent increase or decrease that may be made in the rate under the Motor Vehicle Fuel License Tax Law. Payments pursuant to this section shall be made prior to payments pursuant to Section 8352.2.

When deemed necessary, by the Department of Transportation and the Department of Boating and Waterways *or its successor agency*, the Department of Transportation, after consultation with the Department of Boating and Waterways *or its successor agency*, shall prepare, or cause to be prepared, an updated report setting forth the current estimate of the amount of money credited to the Motor Vehicle Fuel Account attributable to taxes imposed on distributions of motor vehicle fuel used or usable in propelling vessels. The Department of Transportation shall submit the report to the Legislature upon its completion.

(b) *The Legislature may amend this section by statute passed in each house of the Legislature by rollcall vote entered in the journal, three-fourths of the membership concurring, if the statute is consistent with, and furthers the purposes of, this section.*

SECTION 13. Section 85 of the Harbors and Navigation Code is amended to read:

85. (a) All moneys received by the department, including any moneys received by the department from the purchase or condemnation by any other person or agency of any property acquired by the department for the purposes of this division, shall be deposited in the State Treasury and credited to the Harbors and Watercraft Revolving Fund, which fund is hereby created. The Harbors and Watercraft Revolving Fund is the successor to the Small Craft Harbor Revolving Fund, which fund is hereby abolished. All references in any law to the Small Craft Harbor Revolving Fund shall be deemed to refer to the Harbors and Watercraft Revolving Fund.

(b) *The Harbors and Watercraft Revolving Fund is hereby designated as a trust fund and shall be used only for the purposes set forth in Section 85.2.*

(c) The Legislature may amend this section by statute passed in each house of the Legislature by rollcall vote entered in the journal, three-fourths of the membership concurring, if the statute is consistent with, and furthers the purposes of, this section.

SECTION 14. Section 85.2 of the Harbors and Navigation Code is amended to read:

85.2. (a) All money in the Harbors and Watercraft Revolving Fund shall be available, upon appropriation by the Legislature, for expenditure by the department or its successor agency, for boating facilities development and rehabilitation, boating safety, and boating regulation programs, information and research programs, for reduction of loss of life and property in operation of vessels, and for the purposes of Section 656.4, including refunds, and for expenditure for construction or rehabilitation of small craft harbor and boating facilities planned, designed, and constructed by the department, as specified in subdivision (c) of Section 50, at sites owned or under the control of the state. The money in the fund shall also be available, upon appropriation by the Legislature, to the Department of Parks and Recreation for the direct operation and maintenance costs of boating facilities in units of the state park system that have boating-related activities. Vessel registration fees deposited in the fund shall be expended pursuant to Section 9863 of the Vehicle Code.

(b) The Legislature may amend this section by statute passed in each house of the Legislature by rollcall vote entered in the journal, three-fourths of the membership concurring, if the statute is consistent with, and furthers the purposes of, this section.

SECTION 15. Section 9863 of the Vehicle Code is amended to read:

9863. (a) Except as provided in subdivision (b), all fees received, except moneys collected under Section 9875, pursuant to this chapter shall be deposited in the Harbors and Watercraft Revolving Fund and are appropriated for the administration of this chapter. Any of such money in the Harbors and Watercraft Revolving Fund in excess of the amount determined by the Director of Finance, from time to time, to be necessary for expenditure for the administration of this chapter shall be available for expenditure in accordance with Section 85.2 of the Harbors and Navigation Code.

(b) All money derived from the increase in fees required pursuant to this chapter by the amendment of Sections 9853, 9855, 9860, 9867, and 9901 enacted at the 1980 portion of the 1979-80 Regular Session of the Legislature shall be deposited in the Harbors and Watercraft Revolving Fund and is continuously appropriated for support of local boating safety and enforcement programs as provided in Section 663.7 of the Harbors and Navigation Code.

(c) The Legislature may amend this section by statute passed in each house of the Legislature by rollcall vote entered in the journal, three-fourths of the membership concurring, if the statute is consistent with, and furthers the purposes of, this section.

SECTION 16. If any provision of this act or the application thereof is held invalid, the invalidity shall not affect other provisions or applications of the act which can be given effect without the invalid provision or application, and to this end the provisions of this act are severable.

SECTION 17. The Legislature may amend this act, by statute passed in each house of the Legislature by roll call vote entered in the journal, two-thirds of the membership concurring, if the statute is consistent with and furthers the purposes of this act. However, no allocation of funds may be reallocated except in

accordance with Sections 23017, 23039, and 23042 of the Public Resources Code; no changes shall be made in the way in which funds are appropriated pursuant to Sections 23007 and 23041 of the Public Resources Code; and Sections 24012, 24025 and 33216 of the Public Resources Code shall not be amended. The Legislature may adopt a short title for this act.

SECTION 18. This act shall be liberally construed to further its purposes, especially with respect to being allowed to take effect.

SECTION 19. It is the intent of the people of California in approving this act that the Treasurer, the Controller, and the Governor will consider the health of the economy of California, bond markets, and the credit rating of California in determining whether to authorize the sale of these or any other bonds.

BOND ACTS SUBMITTED BY LEGISLATURE

*Number
on ballot*

1A. **Earthquake Relief and Seismic Retrofit Bond Act of 1994.** (Statutes 1994, Chapter 15, SB 131)

[Rejected by electors June 7, 1994.]

PROPOSED LAW

SECTION 1. Chapter 12.48 (commencing with Section 8879) is added to Division 1 of Title 2 of the Government Code, to read:

CHAPTER 12.48. EARTHQUAKE RELIEF AND SEISMIC RETROFIT BOND ACT OF 1994

Article 1. General Provisions

8879. *This chapter shall be known as the Earthquake Relief and Seismic Retrofit Bond Act of 1994.*

8879.1. *The Legislature finds and declares all of the following:*

(a) *The Northridge earthquake of January 17, 1994, caused personal losses and damage to infrastructure and property resulting in relocations and severe disruption of livelihood.*

(b) *It is in the best interest of the state to provide, to the greatest extent feasible, resources to address the disruptions and dangerous situations that continue to exist.*

8879.2. *As used in this chapter, the following terms have the following meanings:*

(a) *“Board” means any department receiving an allocation from the Department of Finance.*

(b) *“Committee” means the Earthquake Relief and Seismic Retrofit Finance Committee created pursuant to Section 8879.7.*

(c) *“Fund” means the Earthquake Relief and Seismic Retrofit Bond Fund of 1994 created pursuant to Section 8879.3.*

(d) *“January 17, 1994, Northridge earthquake” means the earthquake of that date and any resulting aftershocks.*

Article 2. Earthquake Relief and Seismic Retrofit Bond Fund and Program

8879.3. *The Earthquake Relief and Seismic Retrofit Bond Fund of 1994 is hereby created in the State Treasury. The proceeds of bonds issued and sold pursuant to this chapter for the purposes specified in this chapter are hereby appropriated, without regard to fiscal years, to the Department of Finance for allocation in the following manner:*

(a) *One hundred forty-five million dollars (\$145,000,000) for transportation costs associated with the recovery from the January 17, 1994, Northridge earthquake. Funds may be used to match any available federal funds for transportation purposes or may be used without matching federal funds to repair, reconstruct, replace, or retrofit transportation facilities, roadways, structures, and equipment in the area affected by the earthquake. Funds may also be used to provide alternative transportation capacity and transportation management needed to mitigate the effects of the earthquake, and to reimburse, upon the order of the Director of Finance, the General Fund or special funds for expenditures made for the purposes set forth in this subdivision prior to the approval, sale, and issuance of earthquake relief bonds. Expenditures from the fund for transportation purposes shall be approved by the Director of Transportation and reported within five days of approval to the Director of Finance and the California Transportation Commission.*

(b) *Two hundred sixty-five million dollars (\$265,000,000) for allocation to cities, counties, school districts, and other local government agencies, except community college districts, and to state agencies, for the costs of repair, renovation, reconstruction, replacement, relocation, or retrofitting of public infrastructure, including schools, buildings and facilities, hospitals, utilities, sewers, streets and roads, and emergency centers damaged as a result of the January 17, 1994, Northridge earthquake. These funds may, in addition, be used to match any available federal funds for these purposes in the Counties of Los Angeles, Orange, and Ventura, and to reimburse, upon order of the Director of Finance, the General Fund or special funds for expenditures made for the purposes set forth in this subdivision prior to the approval, sale, and issuance of earthquake relief bonds.*

For purposes of this subdivision, "public infrastructure" does not include any vehicular bridges, roadways, highways, or any facility or building owned by the University of California, the California State University, or a community college district or campus.

(c) *Sixty-five million dollars (\$65,000,000) for the purpose of financing the cost of earthquake hazard mitigation projects for public buildings and facilities in the Counties of Los Angeles, Orange, and Ventura, and to reimburse, upon order of the Director of Finance, the General Fund or special funds for expenditures made for the purposes set forth in this subdivision prior to the approval, sale, and issuance of earthquake relief bonds. For these projects, allowable earthquake hazard mitigation costs shall include the cost of repair, renovation, replacement, retrofit, or relocation for the purposes of reducing the risk of future damage, hardship, or loss arising from future seismic activity. The Director of Finance shall establish priority for allocation of these funds.*

For purposes of this subdivision, "public buildings and facilities" means any building or structure owned by a public agency, except for vehicular bridges, roadways, highways, or any facility or building owned by the University of California, the California State University, or a community college district or campus.

(d) (1) *Nine hundred fifty million dollars (\$950,000,000) for the seismic retrofit of state-owned highways and bridges throughout California. Funds allocated for this purpose shall be deposited in the Seismic Retrofit Account and, upon deposit, are continuously appropriated to the Department of Transportation. Funds may be used to match any available federal funds for transportation*

purposes or may be used without matching federal funds to reconstruct, replace, or retrofit state-owned highways and bridges.

(2) Funds described in paragraph (1) shall not be used to offset or replace funds previously reserved in the 1992 State Highway Operation and Protection Program for seismic retrofit referred to as previously reserved retrofit funds. The unexpended portions of the previously reserved retrofit funds are further set forth in Exhibit B entitled 1994 SHOPP Fund Reservation Summary in the proposed 1994 State Highway Operation and Protection Program forwarded by the Department of Transportation to the California Transportation Commission on January 31, 1994.

(3) Funds described in this subdivision shall be spent for the seismic retrofit of state-owned toll bridges in an amount equal to the proportion of the total estimate of cost for retrofit of the toll bridges to the total estimate of cost for all state-owned bridges, but in no event less than 40 percent of the funds described in this subdivision. For purposes of this foregoing calculation, there shall be deducted those funds to be reserved for seismic retrofit as set forth in Exhibit B entitled 1994 SHOPP Fund Reservation Summary in the proposed 1994 State Highway Operation and Protection Program forwarded by the Department of Transportation to the California Transportation Commission on January 31, 1994. The total amount of those funds is four hundred nineteen million five hundred thousand dollars (\$419,500,000). All estimated costs required by this subdivision shall mean the costs estimated by the Department of Transportation effective July 1, 1994, which estimates shall be forwarded to the California Transportation Commission prior to July 5, 1994.

(e) (1) Five hundred seventy-five million dollars (\$575,000,000) for transfer to the California Disaster Housing Repair Fund, shall be made available upon approval of the Director of Finance, for the purposes authorized pursuant to Section 50661.5 of the Health and Safety Code in order to implement the programs established in Sections 50662.7 and 50671.6 of the Health and Safety Code. Notwithstanding any other provision of law, these funds may be expended for any of the purposes authorized in Sections 50661.5, 50662.7, and 50671.6 of the Health and Safety Code, to address the effects of the January 17, 1994, Northridge earthquake. However, no funds transferred pursuant to this paragraph shall be expended for the purposes authorized in Section 50671.5 of the Health and Safety Code. No more than 15 percent of the funds expended pursuant to this subdivision may be expended for administrative costs.

(2) The Legislature may, from time to time, amend the provisions of law relating to programs to which funds are, or have been, allocated pursuant to this subdivision for the purpose of improving the efficiency and the effectiveness of the programs. The Legislature may also, from time to time, amend the provisions of law relating to programs to which funds are, or have been, allocated pursuant to this subdivision for the purpose of furthering the goals of those programs.

(3) The people of the State of California hereby find and declare that the words "develop, construct, or acquire," as used in Section 1 of Article XXXIV of the California Constitution, shall not be interpreted to apply to activities of a state public body when that body undertakes any of the activities permitted in Section 50671.6 of the Health and Safety Code, including, but not limited to, reconstruction of rental developments of comparable size on comparable sites in the immediate neighborhood where the rental development previously existed.

(f) Notwithstanding subdivisions (a), (b), and (c), in order to ensure efficient and appropriate use of bond proceeds for earthquake relief as authorized in

subdivisions (a), (b), and (c), the Director of Finance may revise the amounts expressly allocated in subdivisions (a), (b), and (c), and reallocate these funds among subdivisions (a), (b), and (c). In addition, the director may reallocate funds allocated under subdivision (a) to subdivision (d). However, no revision or reallocation of funds authorized by this subdivision shall be made until 15 days after written notice to the Chair of the Joint Legislative Budget Committee and the chairs of the fiscal committees of both houses of the Legislature.

(g) The Department of Finance shall notify in writing the Chair of the Joint Legislative Budget Committee and the chairs of the fiscal committees of both houses of the Legislature at the end of each month regarding any allocations of funds pursuant to subdivisions (a), (b), (c), (d), and (e).

(h) Use of any funds authorized in subdivision (a), (b), (c), or (d) for replacement or relocation of any facilities shall be authorized to provide new facilities that may have a size or capacity that is greater than the size or capacity of the damaged facilities being replaced to the extent that this increase is beneficial to the intended use of the replacement facility and may be accomplished on a cost-efficient basis.

Article 3. Fiscal Provisions

8879.5. Bonds in the total amount of two billion dollars (\$2,000,000,000), exclusive of refunding bonds, or so much thereof as is necessary, is hereby authorized to be issued and sold for carrying out the purposes expressed in this chapter and to reimburse the General Obligation Bond Expense Revolving Fund pursuant to Section 16724.5. All bonds herein authorized which have been duly sold and delivered as provided herein shall constitute valid and legally binding general obligations of the State of California, and the full faith and credit of the State of California is hereby pledged for the punctual payment of both principal and interest thereof.

8879.6. The bonds authorized by this chapter shall be prepared, executed, issued, sold, paid, and redeemed as provided in the State General Obligation Bond Law (Chapter 4 (commencing with Section 16720) of Part 3 of Division 4), except Section 16727 and all of the other provisions of that law as amended from time to time apply to the bonds and to this chapter and are hereby incorporated in this chapter as though set forth in full in this chapter.

8879.7. (a) Solely for the purpose of authorizing the issuance and sale, pursuant to the State General Obligation Bond Law, of the bonds authorized by this chapter, the Earthquake Relief and Seismic Retrofit Finance Committee is hereby created. For the purposes of this chapter, the Earthquake Relief and Seismic Retrofit Finance Committee is "the committee" as that term is used in the State General Obligation Bond Law. The committee consists of the Treasurer, the Controller, the Director of Finance, the Director of General Services, and the Secretary of the Business, Transportation and Housing Agency, or a designated representative of each of those officials. The Treasurer shall serve as the chairperson of the committee. A majority of the committee may act for the committee.

(b) The committee may adopt guidelines establishing requirements for administration of its financing programs to the extent necessary to protect the validity of, and tax exemption for, interest on the bonds. The guidelines shall not constitute rules, regulations, orders, or standards of general application.

(c) For the purposes of the State General Obligation Bond Law, any department receiving an allocation from the Department of Finance is designated to be the "board."

8879.8. Upon request of the board stating that funds are needed for earthquake relief purposes, the committee shall determine whether or not it is necessary or desirable to issue bonds authorized pursuant to this chapter in order to carry out the actions specified in Section 8879.3, and, if so, the amount of bonds to be issued and sold. Successive issues of bonds may be authorized and sold to carry out those actions progressively, and be sold at any one time. Bonds may bear interest subject to federal income tax.

8879.9. There shall be collected annually in the same manner and at the same time as other state revenue is collected, a sum of money in addition to the ordinary revenues of the state, sufficient to pay the principal of, and interest on, the bonds as provided herein, and all officers required by law to perform any duty in regard to the collections of state revenues shall collect that additional sum.

8879.10. Notwithstanding Section 13340, there is hereby appropriated from the General Fund in the State Treasury, for the purposes of this chapter, an amount that will equal the total of the following:

(a) The sum annually necessary to pay the principal of, and interest on, bonds issued and sold pursuant to this chapter, as the principal and interest become due and payable.

(b) The sum which is necessary to carry out Section 8879.12, appropriated without regard to fiscal years.

8879.11. The board may request the Pooled Money Investment Board to make a loan from the Pooled Money Investment Account, in accordance with Section 16312, for purposes of this chapter. The amount of the request shall not exceed the amount of the unsold bonds which the committee has, by resolution, authorized to be sold for the purpose of this chapter, less any amount withdrawn pursuant to Section 8879.12. The board shall execute any documents as required by the Pooled Money Investment Board to obtain and repay the loan. Any amount loaned shall be deposited in the fund to be allocated by the Director of Finance in accordance with this chapter.

8879.12. For the purpose of carrying out this chapter, the Director of Finance may, by executive order, authorize the withdrawal from the General Fund of any amount or amounts not to exceed the amount of the unsold bonds which the committee has, by resolution, authorized to be sold for the purpose of carrying out this chapter. Any amounts withdrawn shall be deposited in the Earthquake Relief and Seismic Retrofit Bond Fund of 1994. Any money made available under this section shall be returned to the General Fund, plus the interest that the amounts would have earned in the Pooled Money Investment Account, from money received from the sale of bonds which would otherwise be deposited in that fund.

8879.13. The bonds may be refunded in accordance with Article 6 (commencing with Section 16780) of the State Obligation Bond Law. Approval by the electors of this act shall constitute approval of any refunding bonds issued pursuant to the State General Obligation Bond Law.

8879.14. Notwithstanding anything in the State General Obligation Bond Law, the maximum maturity of any bonds authorized by this chapter shall not exceed 30 years from the date of each respective series. The maturity of each series shall be calculated from the date of each series.

8879.15. The Legislature hereby finds and declares that, inasmuch as the proceeds from the sale of bonds authorized by this chapter are not "proceeds of

taxes” as that term is used in Article XIII B of the California Constitution, the disbursement of these proceeds is not subject to the limitations imposed by that article.

8879.16. Notwithstanding any provision of the State General Obligation Bond Law with regard to the proceeds from the sale of bonds authorized by this chapter that are subject to investment under Article 4 (commencing with Section 16470) of Chapter 3 of Part 2 of Division 4, the Treasurer may maintain a separate account for investment earnings, order the payment of those earnings to comply with any rebate requirement applicable under federal law, and may otherwise direct the use and investment of those proceeds so as to maintain the tax-exempt status of those bonds and to obtain any other advantage under federal law on behalf of the funds of this state.

Number
on ballot

1B. **Safe Schools Act of 1994.** (Statutes 1994, Chapter 19, SB 190)

[Rejected by electors June 7, 1994.]

PROPOSED LAW

SECTION 1. Chapter 22.2 (commencing with Section 17766) is added to Part 10 of the Education Code, to read:

CHAPTER 22.2. SCHOOL FACILITIES BOND ACT OF 1994

Article 1. General Provisions

17766. This chapter shall be known and may be cited as the Safe Schools Act of 1994.

17766.10. As used in this chapter, the following terms have the following meanings:

(a) “Committee” means the State School Building Finance Committee created pursuant to Section 15909.

(b) “Fund” means the State School Building Lease-Purchase Fund.

Article 2. Program Provisions

17766.15. The proceeds of bonds issued and sold pursuant to this chapter shall be deposited in the fund.

17766.20. All moneys deposited in the fund shall be available to provide aid to school districts of the state in accordance with the Leroy F. Greene State School Building Lease-Purchase Law of 1976 (Chapter 22 (commencing with Section 17700)), and of all acts amendatory thereof and supplementary thereto, to provide aid to school districts of the state in accordance with Section 17766.30, to provide funds to repay any money advanced or loaned to the State School Building Lease-Purchase Fund under any act of the Legislature, together with interest provided for in that act, and to reimburse the General Obligation Bond Expense Revolving Fund pursuant to Section 16724.5 of the Government Code.

17766.30. (a) Of the proceeds from the sale of bonds pursuant to this chapter, not more than four hundred million dollars (\$400,000,000) may be used for one or more of the following purposes:

(1) The acquisition of portable classrooms for use in accordance with Chapter 25 (commencing with Section 17785).

(2) The reconstruction or modernization of facilities pursuant to Chapter 22 (commencing with Section 17700). In addition to the current program requirements, the State Allocation Board may allocate funding pursuant to this

subdivision for the reconstruction or modernization of any existing structure, including the wiring and cabling in that structure, to enable that structure to accommodate computers and other high technology equipment.

(3) The purchase and installation of air-conditioning equipment and insulation materials, and related costs, pursuant to Section 42250.1 for schools operated on a year-round multitrack schedule in a manner that increases school capacity and reduces or eliminates the school district's need for the construction of additional classroom space.

(4) Project funding for applicant districts under Chapter 22 (commencing with Section 17700) that have incurred or will incur enrollment increases due to the locating or expansion of state or federal prisons.

(5) The acquisition of relocatable child care and development facilities for the purpose of providing extended day care services pursuant to Article 22 (commencing with Section 8460) of Chapter 2 of Part 6.

(6) Project funding, without regard to funding priorities, for applicant county boards of education under Chapter 22 (commencing with Section 17700) that are eligible for that funding for classrooms for severely handicapped pupils.

(7) Project funding for applicant districts under Chapter 22 (commencing with Section 17700) that are eligible for that funding, but that lack funding priority due to the size of pupil enrollment in the district.

(8) Project funding for high priority roof replacement projects.

(9) Construction projects or the purchase of furniture or equipment designed to increase school security.

(10) The identification, assessment, or abatement of hazardous asbestos in school facilities, pursuant to either Chapter 22 (commencing with Section 17700) or Section 39619.6.

(11) The reconstruction or modernization of facilities pursuant to Chapter 22 (commencing with Section 17700). Notwithstanding Section 17721.3, the State Allocation Board may allocate funding pursuant to this subdivision for the reconstruction or modernization of an existing structure in an amount that exceeds 25 percent of the replacement cost of that structure in order to finance structural improvements needed to avert future earthquake damage.

(b) Of the proceeds from the sale of bonds pursuant to this chapter, not more than forty million dollars (\$40,000,000) may be used for projects for those school districts that agree to contribute 60 percent or more of the cost of that project.

(c) Of the amount designated in subdivision (a), not more than sixty-five million dollars (\$65,000,000) may be used to match federal funds for facility repairs associated with the Northridge earthquake. This subdivision shall only be operative if the June 7, 1994, bond act authorized pursuant to Senate Bill 131 (Roberti), is not passed by the statewide electorate at the June 7, 1994, statewide primary election.

17766.35. Of the proceeds from the sale of bonds pursuant to this chapter, not more than two hundred million dollars (\$200,000,000) may be used for seismic retrofit projects of existing public school facilities.

Article 3. Fiscal Provisions

17766.40. Bonds in the total amount of one billion dollars (\$1,000,000,000), exclusive of refunding bonds, or so much thereof as is necessary, may be issued and sold to provide a fund to be used for carrying out the purposes expressed in this chapter and to be used to reimburse the General Obligation Bond Expense Revolving Fund pursuant to Section 16724.5 of the Government Code. The bonds, when sold, shall be and constitute a valid and binding obligation of the State of

California, and the full faith and credit of the State of California is hereby pledged for the punctual payment of both principal of, and interest on, the bonds as the principal and interest become due and payable.

17766.44. The State School Building Finance Committee, created by Section 15909 and composed of the Governor, Controller, Treasurer, Director of Finance, and the Director of Education, or their designated representatives, all of whom shall serve thereon without compensation, and a majority of whom shall constitute a quorum, is continued in existence for the purpose of this chapter. The Treasurer shall be designated to chair the committee. Two Members of the Senate appointed by the Senate Committee on Rules, and two Members of the Assembly appointed by the Speaker of the Assembly, shall meet and advise with the committee to the extent that the advisory participation is not incompatible with their respective positions as Members of the Legislature. For the purposes of this chapter, the Members of the Legislature shall constitute an interim investigating committee on the subject of this chapter and as that committee shall have the powers and duties imposed upon those committees by the Joint Rules of the Senate and the Assembly. The Director of Finance shall provide the assistance to the committee as it may require. The Attorney General of the state shall be the legal advisor of the committee.

17766.45. (a) The bonds authorized by this chapter shall be prepared, executed, issued, sold, paid, and redeemed as provided in the State General Obligation Bond Law (Chapter 4 (commencing with Section 16720) of Part 3 of Division 4 of Title 2 of the Government Code), and all of the provisions of that law apply to the bonds and to this chapter and are hereby incorporated in this chapter as though set forth in full in this chapter.

(b) For purposes of the State General Obligation Bond Law, the State Allocation Board is designated the "board."

17766.50. Upon request of the board from time to time, supported by a statement of the apportionments made and to be made for the purposes described in Section 17766.20, the committee shall determine whether or not it is necessary or desirable to issue bonds authorized pursuant to this chapter in order to fund the apportionments and, if so, the amount of bonds to be issued and sold. Successive issues of bonds may be authorized and sold to fund those apportionments progressively, and it is not necessary that all of the bonds authorized to be issued be sold at any one time.

17766.55. There shall be collected each year and in the same manner and at the same time as other state revenue is collected, in addition to the ordinary revenues of the state, a sum in an amount required to pay the principal of, and interest on, the bonds each year, and it is the duty of all officers charged by law with any duty in regard to the collection of the revenue to do and perform each and every act which is necessary to collect that additional sum.

17766.60. Notwithstanding Section 13340 of the Government Code, there is hereby appropriated from the General Fund in the State Treasury, for the purposes of this chapter, an amount that will equal the total of the following:

(a) The sum annually necessary to pay the principal of, and interest on, bonds issued and sold pursuant to this chapter, as the principal and interest become due and payable.

(b) The sum which is necessary to carry out the provisions of Section 17766.70, appropriated without regard to fiscal years.

17766.63. The board may request the Pooled Money Investment Board to make a loan from the Pooled Money Investment Account, in accordance with Section

16312 of the Government Code, for the purposes of carrying out this chapter. The amount of the request shall not exceed the amount of the unsold bonds that the committee has, by resolution, authorized to be sold for the purpose of carrying out this chapter. The board shall execute those documents required by the Pooled Money Investment Board to obtain and repay the loan. Any amounts loaned shall be deposited in the fund to be allocated by the board in accordance with this chapter.

17766.65. Notwithstanding any other provision of this chapter, or of the State General Obligation Bond Law (Chapter 4 (commencing with Section 16720) of Part 3 of Division 4 of Title 2 of the Government Code), if the Treasurer sells bonds that include a bond counsel opinion to the effect that the interest on the bonds is excluded from gross income for federal tax purposes subject to designated conditions, the Treasurer may maintain separate accounts for the bond proceeds invested and for the investment earnings on those proceeds, and may use or direct the use of those proceeds or earnings to pay any rebate, penalty, or other payment required under federal law or take any other action with respect to the investment and use of those bond proceeds that is required or desirable under federal law in order to maintain the tax-exempt status of those bonds and to obtain any other advantage under federal law on behalf of the funds of this state.

17766.70. For the purposes of carrying out this chapter, the Director of Finance may authorize the withdrawal from the General Fund of an amount or amounts not to exceed the amount of the unsold bonds which have been authorized by the committee to be sold for the purpose of carrying out this chapter. Any amounts withdrawn shall be deposited in the fund. Any money made available under this section shall be returned to the General Fund, plus an amount equal to the interest the money would have earned in the Pooled Money Investment Account, from proceeds received from the sale of bonds for the purpose of carrying out this chapter.

17766.75. All money deposited in the fund that is derived from premium and accrued interest on bonds sold shall be reserved in the fund and shall be available for transfer to the General Fund as a credit to expenditures for bond interest.

17766.80. The bonds may be refunded in accordance with Article 6 (commencing with Section 16780) of Chapter 4 of Part 3 of Division 4 of Title 2 of the Government Code, which is a part of the State General Obligation Bond Law. Approval by the electors of the state for the issuance of the bonds described in this chapter shall include approval of the issuance of any bonds issued to refund any bonds originally issued under this chapter or any previously issued refunding bonds.

17766.85. The Legislature hereby finds and declares that, inasmuch as the proceeds from the sale of bonds authorized by this chapter are not "proceeds of taxes" as that term is used in Article XIII B of the California Constitution, the disbursement of these proceeds is not subject to the limitations imposed by that article.

Article 4. Miscellaneous

17766.90. (a) Any remaining funds resulting or derived from the sale of bonds pursuant to Chapter 9 (commencing with Section 16400), Chapter 10 (commencing with Section 16500), Chapter 11 (commencing with Section 16600), Chapter 12 (commencing with Section 16700), Chapter 13 (commencing with Section 16800), Chapter 15 (commencing with Section 17000), Chapter 16

(commencing with Section 17100), Chapter 17 (commencing with Section 17200), Chapter 18 (commencing with Section 17300), Chapter 19 (commencing with Section 17400), and Chapter 20 (commencing with Section 17500) shall be transferred to the State School Building Lease-Purchase Fund and may be apportioned by the State Allocation Board for the purposes of the Leroy F. Greene State School Building Lease-Purchase Law of 1976 (Chapter 22 (commencing with Section 17700)).

(b) Any unsold bonds, authorized for issuance under Chapter 9 (commencing with Section 16400), Chapter 10 (commencing with Section 16500), Chapter 11 (commencing with Section 16600), Chapter 12 (commencing with Section 16700), Chapter 13 (commencing with Section 16800), Chapter 15 (commencing with Section 17000), Chapter 16 (commencing with Section 17100), Chapter 17 (commencing with Section 17200), Chapter 18 (commencing with Section 17300), Chapter 19 (commencing with Section 17400), and Chapter 20 (commencing with Section 17500) may be sold by the Treasurer, upon authorization by the State School Building Finance Committee for the purposes of the Leroy F. Greene State School Building Lease-Purchase Law of 1976 (Chapter 22 (commencing with Section 17700)).

Number
on ballot

1C. **Higher Education Facilities Bond Act of June 1994.** (Statutes 1994, Chapter 18, SB 46)

[Rejected by electors June 7, 1994.]

PROPOSED LAW

SECTION 1. Chapter 12.3 (commencing with Section 67010) is added to Part 40 of the Education Code, to read:

CHAPTER 12.3. HIGHER EDUCATION FACILITIES BOND ACT OF JUNE 1994

Article 1. General Provisions

67010. This chapter shall be known and may be cited as the Higher Education Facilities Bond Act of June 1994.

67011. The Legislature finds and declares all of the following:

(a) California's economic and social prosperity relies on a higher education system that keeps pace with California's growth. In the coming decades, the state's economic prosperity will depend on increasing the productivity of the work force and on the ability to compete successfully in the world marketplace.

(b) The system of public higher education in this state includes the University of California containing nine campuses, the California State University containing 20 campuses, the California Community Colleges consisting of 71 districts containing 107 campuses, the Hastings College of the Law, the California Maritime Academy, and their respective off-campus centers. Each of these institutions plays a vital role in maintaining California's dominance in higher education in the United States.

(c) Over the last several years, studies have been completed by the University of California, the California State University, and the California Community Colleges to assess their long-term and short-term capital needs. Those studies demonstrate that the long-term and short-term needs total, in the aggregate, several million dollars.

(d) The purpose of the Higher Education Facilities Bond Act of June 1994 is to assist in meeting the capital outlay financing needs of California's public higher education system.

67012. As used in this chapter, the following terms have the following meanings:

(a) "Committee" means the Higher Education Facilities Finance Committee created pursuant to Section 67353.

(b) "Fund" means the 1994 Higher Education Capital Outlay Bond Fund created pursuant to Section 67013.

Article 2. Higher Education Facilities Bond Act Program

67013. The proceeds of bonds issued and sold pursuant to this chapter shall be deposited in the 1994 Higher Education Capital Outlay Bond Fund, which is hereby created.

67014. The committee shall be and is hereby authorized to create a debt or debts, liability or liabilities, of the State of California pursuant to this chapter for the purpose of funding aid to the University of California, the California State University, the California Community Colleges, the Hastings College of the Law, and the California Maritime Academy for the construction, including the construction of buildings and the acquisition of related fixtures; the equipping of new, renovated, or reconstructed facilities; funding for the payment of preconstruction costs, including, but not limited to, preliminary plans and working drawings; renovation and reconstruction of facilities; and the construction or improvement of off-campus facilities of the California State University approved by the Trustees of the California State University on or before July 1, 1990, including the acquisition of sites upon which these facilities are to be constructed.

The addition of the Hastings College of the Law to this section is not intended to mark a change from the funding authorizations made by Section 67354, as contained in the Higher Education Facilities Bond Act of 1986, or Section 67334, as contained in the Higher Education Facilities Bond Act of 1988, but is intended to state more clearly what was intended by the Legislature in those sections as well.

Article 3. Fiscal Provisions

67015. (a) Bonds in the total amount of nine hundred million dollars (\$900,000,000), not including the amount of any refunding bonds issued in accordance with Section 67023, or so much thereof as is necessary, may be issued and sold to provide a fund to be used for carrying out the purposes expressed in this chapter and to reimburse the General Obligation Bond Expense Revolving Fund pursuant to Section 16724.5 of the Government Code. The bonds shall, when sold, be and constitute a valid and binding obligation of the State of California, and the full faith and credit of the State of California is hereby pledged for the punctual payment of both principal of, and interest on, the bonds as the principal and interest become due and payable.

(b) Pursuant to this section, the Treasurer shall sell the bonds authorized by the committee at any different times necessary to service expenditures required by the apportionments.

67016. The bonds authorized by this chapter shall be prepared, executed, issued, sold, paid, and redeemed as provided in the State General Obligation Bond Law (Chapter 4 (commencing with Section 16720) of Part 3 of Division 4 of Title 2 of the Government Code), and all of the provisions of that law shall apply to the bonds and to this chapter and are hereby incorporated in this

chapter as though set forth in full in this chapter. For purposes of the State General Obligation Bond Law, each state agency administering an appropriation of the bond fund is designated as the "board" for projects funded by those appropriations.

67017. The committee shall authorize the issuance of bonds under this chapter only to the extent necessary to fund the apportionments that are expressly authorized by the Legislature in the annual Budget Act. Pursuant to that legislative direction, the committee shall determine whether or not it is necessary or desirable to issue bonds authorized pursuant to this chapter in order to carry out the actions specified in Section 67014 and, if so, the amount of bonds to be issued and sold. Successive issues of bonds may be authorized and sold to carry out those actions progressively, and it is not necessary that all of the bonds authorized to be issued be sold at any one time.

67018. There shall be collected each year and in the same manner and at the same time as other state revenue is collected, in addition to the ordinary revenues of the state, a sum in an amount required to pay the principal of, and interest on, the bonds each year, and it is the duty of all officers charged by law with any duty in regard to the collection of the revenue to do and perform each and every act that is necessary to collect that additional sum.

67019. Notwithstanding Section 13340 of the Government Code, there is hereby appropriated from the General Fund in the State Treasury, for the purposes of this chapter, an amount that will equal the total of the following:

(a) The sum annually necessary to pay the principal of, and interest on, bonds issued and sold pursuant to this chapter, as the principal and interest become due and payable.

(b) The sum necessary to carry out the provisions of Section 67020, appropriated without regard to fiscal years.

67020. (a) For the purposes of carrying out this chapter, the Director of Finance may, by executive order, authorize the withdrawal from the General Fund of an amount or amounts not to exceed the amount of the unsold bonds that have been authorized by the committee to be sold for the purpose of carrying out this chapter. Any amounts withdrawn shall be deposited in the fund. Any money made available under this section shall be returned to the General Fund, together with interest at the rate paid on moneys in the Pooled Money Investment Account, from money received from the sale of bonds for the purpose of carrying out this chapter.

(b) Any request forwarded to the Legislature and the Department of Finance for funds from this bond issue for expenditure for the purposes described in Section 67014 by the University of California, the California State University, or the California Community Colleges shall be accompanied by the five-year capital outlay plan of the particular university or college and shall include a schedule that prioritizes the seismic retrofitting needed to significantly reduce, by the 2000–01 fiscal year, in the judgment of the particular university or college, seismic hazards in buildings identified as high priority by the university or college.

67021. All money deposited in the fund that is derived from premium and accrued interest on bonds sold shall be reserved in the fund and shall be available for transfer to the General Fund as a credit to expenditures for bond interest.

67022. The board may request the Pooled Money Investment Board for a loan from the Pooled Money Investment Account, in accordance with Section 16312 of the Government Code, and may execute those documents required by the Pooled

Money Investment Board to obtain and repay the loan. The loan shall be deposited in the fund for the purpose of carrying out the provisions of this chapter. The amount of the loan shall not exceed the amount of the unsold bonds that the committee, by resolution, has authorized to be sold for the purposes of this chapter.

67023. Any bonds issued and sold pursuant to this chapter may be refunded by the issuance and sale or exchange of refunding bonds in accordance with Article 6 (commencing with Section 16780) of Chapter 4 of Part 3 of Division 4 of Title 2 of the Government Code. The approval by the electors of this state of the issuance and sale of bonds under this chapter includes approval of the issuance and sale or exchange of any bonds issued to refund either those bonds or any previously issued refunding bonds.

67024. Notwithstanding any provision of this chapter or the State General Obligation Bond Law set forth in Chapter 4 (commencing with Section 16720) of Part 3 of Division 4 of Title 2 of the Government Code, if the Treasurer sells bonds pursuant to this chapter that include a bond counsel opinion to the effect that the interest on the bonds is excluded from gross income for federal tax purposes under designated conditions, the Treasurer may maintain separate accounts for the investment of bond proceeds and the investment earnings on these proceeds, and the Treasurer shall be authorized to use or direct the use of these proceeds or earnings to pay any rebate, penalty, or other payment required under federal law or to take any other action with respect to the investment and use of bond proceeds required or desirable under federal law so as to maintain the tax-exempt status of those bonds and to obtain any other advantage under federal law on behalf of the funds of this state.

67025. The Legislature hereby finds and declares that, inasmuch as the proceeds from the sale of bonds authorized by this chapter are not "proceeds of taxes" as that term is used in Article XIII B of the California Constitution, the disbursement of these proceeds is not subject to the limitations imposed by that article.

**PROPOSITIONS SUBMITTED TO
VOTE OF ELECTORS ***

General Election, November 8, 1994

MEASURES ADOPTED

CONSTITUTIONAL AMENDMENTS SUBMITTED BY LEGISLATURE

*Number
on ballot*

183. Recall Elections. State Officers. (Statutes 1994, Resolution Chapter 59, SCA 38)

[Approved by electors November 8, 1994.]

PROPOSED AMENDMENT TO ARTICLE II, SECTION 15

SEC. 15. (a) An election to determine whether to recall an officer and, if appropriate, to elect a successor shall be called by the Governor and held not less than 60 days nor more than 80 days from the date of certification of sufficient signatures. If

(b) *A recall election may be conducted within 180 days from the date of certification of sufficient signatures in order that the election may be consolidated with the next regularly scheduled election occurring wholly or partially within the same jurisdiction in which the recall election is held, if the number of voters eligible to vote at that next regularly scheduled election equal at least 50 percent of all the voters eligible to vote at the recall election.*

(c) If the majority vote on the question is to recall, the officer is removed and, if there is a candidate, the candidate who receives a plurality is the successor. The officer may not be a candidate, nor shall there be any candidacy for an office filled pursuant to subdivision (d) of Section 16 of Article VI.

*Number
on ballot*

189. Bail Exception. Felony Sexual Assault. (Statutes 1994, Resolution Chapter 95, ACA 37)

[Approved by electors November 8, 1994.]

PROPOSED AMENDMENT TO ARTICLE I, SECTION 12

SEC. 12. A person shall be released on bail by sufficient sureties, except for:

(a) Capital crimes when the facts are evident or the presumption great;

(b) Felony offenses involving acts of violence on another person, *or felony sexual assault offenses on another person*, when the facts are evident or the presumption great and the court finds based upon clear and convincing evidence that there is a substantial likelihood the person's release would result in great bodily harm to others; or

* 182. **California Housing and Jobs Investment Bond Act.** (Statutes 1993, Chapter 116, AB 215) [Removed from ballot by Statutes 1994, Chapter 313, AB 3257.]

(c) Felony offenses when the facts are evident or the presumption great and the court finds based on clear and convincing evidence that the person has threatened another with great bodily harm and that there is a substantial likelihood that the person would carry out the threat if released.

Excessive bail may not be required. In fixing the amount of bail, the court shall take into consideration the seriousness of the offense charged, the previous criminal record of the defendant, and the probability of his or her appearing at the trial or hearing of the case.

A person may be released on his or her own recognizance in the court's discretion.

*Number
on ballot*

190. **Commission on Judicial Performance.** (Statutes 1994, Resolution Chapter 111, ACA 46)

[Approved by electors November 8, 1994.]

PROPOSED AMENDMENTS TO ARTICLE VI

First—That Section 8 of Article VI thereof is amended to read:

SEC. 8. (a) The Commission on Judicial Performance consists of ~~2 judges of courts of appeal, 2 judges of superior courts~~ *one judge of a court of appeal, one judge of a superior court*, and one judge of a municipal court, each appointed by the Supreme Court; 2 members of the State Bar of California who have practiced law in this State for 10 years, ~~each appointed by its governing body the Governor~~; and ~~2~~ 6 citizens who are not judges, retired judges, or members of the State Bar of California, ~~appointed by the Governor and approved by the Senate, a majority of the membership concurring 2 of whom shall be appointed by the Governor, 2 by the Senate Committee on Rules, and 2 by the Speaker of the Assembly.~~ Except as provided in subdivision (b), all terms are *for 4 years*. No member shall serve more than ~~2~~ 4-year terms, *or for more than a total of 10 years if appointed to fill a vacancy.*

Commission membership terminates if a member ceases to hold the position that qualified the member for appointment. A vacancy shall be filled by the appointing power for the remainder of the term. A member whose term has expired may continue to serve until the vacancy has been filled by the appointing power. *Appointing powers may appoint members who are already serving on the commission prior to March 1, 1995, to a single 2-year term, but may not appoint them to an additional term thereafter.*

(b) To create staggered terms among the members of the Commission on Judicial Performance, the following members shall be appointed, as follows:

(1) ~~The court of appeal member appointed to immediately succeed the term that expires on November 8, 1988, shall serve a 2-year term.~~

(2) ~~Of the State Bar members appointed to immediately succeed terms that expire on December 31, 1988, one member shall serve for a 2-year term.~~

(1) *Two members appointed by the Supreme Court to a term commencing March 1, 1995, shall each serve a term of 2 years and may be reappointed to one full term.*

(2) *One attorney appointed by the Governor to a term commencing March 1, 1995, shall serve a term of 2 years and may be reappointed to one full term.*

(3) *One citizen member appointed by the Governor to a term commencing March 1, 1995, shall serve a term of 2 years and may be reappointed to one full term.*

(4) *One member appointed by the Senate Committee on Rules to a term commencing March 1, 1995, shall serve a term of 2 years and may be reappointed to one full term.*

(5) *One member appointed by the Speaker of the Assembly to a term commencing March 1, 1995, shall serve a term of 2 years and may be reappointed to one full term.*

(6) *All other members shall be appointed to full 4-year terms commencing March 1, 1995.*

Second—That Section 18 of Article VI thereof is amended to read:

SEC. 18. (a) A judge is disqualified from acting as a judge, without loss of salary, while there is pending (1) an indictment or an information charging the judge in the United States with a crime punishable as a felony under California or federal law, or (2) a ~~recommendation~~ *petition* to the Supreme Court *to review a determination* by the Commission on Judicial Performance ~~for removal or retirement of the~~ *to remove or retire a judge.*

(b) ~~On recommendation of the~~ *The Commission on Judicial Performance may disqualify a judge from acting as a judge, without loss of salary, upon notice of formal proceedings by the commission charging the judge with judicial misconduct or disability.*

(c) ~~The Commission on Judicial Performance or on its own motion, the Supreme Court may~~ *shall* suspend a judge from office without salary when in the United States the judge pleads guilty or no contest or is found guilty of a crime punishable as a felony under California or federal law or of any other crime that involves moral turpitude under that law. If the conviction is reversed, suspension terminates, and the judge shall be paid the salary for the judicial office held by the judge for the period of suspension. If the judge is suspended and the conviction becomes final, the ~~Supreme Court~~ *Commission on Judicial Performance* shall remove the judge from office.

~~(e) On recommendation of~~

(d) ~~Except as provided in subdivision (f), the Commission on Judicial Performance the Supreme Court may~~ (1) retire a judge for disability that seriously interferes with the performance of the judge's duties and is or is likely to become permanent, ~~and~~ *or* (2) ~~censure a judge or former judge or remove a judge for action occurring not more than 6 years prior to the commencement of the judge's current term or of the former judge's last term that constitutes willful~~ *willful* misconduct in office, persistent failure or inability to perform the judge's duties, habitual intemperance in the use of intoxicants or drugs, or conduct prejudicial to the administration of justice that brings the judicial office into disrepute. ~~The Commission on Judicial Performance may, or~~ (3) *publicly or privately admonish a judge or former judge found to have engaged in an improper action or dereliction of duty, subject to review in the Supreme Court in the manner provided for review of causes decided by a court of appeal. The commission may also bar a former judge who has been censured from receiving an assignment, appointment, or reference of work from any California state court. Upon petition by the judge or former judge, the Supreme Court may, in its discretion, grant review of a determination by the commission to retire, remove, censure, admonish, or disqualify pursuant to subdivision (b) a judge or former judge. When the Supreme Court reviews a determination of the commission, it*

may make an independent review of the record. If the Supreme Court has not acted within 120 days after granting the petition, the decision of the commission shall be final.

~~(d)~~

(e) A judge retired by the Supreme Court commission shall be considered to have retired voluntarily. A judge removed by the Supreme Court commission is ineligible for judicial office, including receiving an assignment, appointment, or reference of work from any California state court, and pending further order of the court is suspended from practicing law in this State. The State Bar may institute appropriate attorney disciplinary proceedings against any judge who retires or resigns from office with judicial disciplinary charges pending.

~~(e)~~

(f) A recommendation of determination by the Commission on Judicial Performance for the to admonish or censure, removal or retirement of a judge or former judge of the Supreme Court or remove or retire a judge of the Supreme Court shall be determined reviewed by a tribunal of 7 court of appeal judges selected by lot.

(f) If, after conducting a preliminary investigation, the Commission on Judicial Performance by vote determines that formal proceedings should be instituted:

(1) The judge or judges charged may require that formal hearings be public, unless the Commission on Judicial Performance by vote finds good cause for confidential hearings.

(2) The Commission on Judicial Performance may, without further review in the Supreme Court, issue a public reproof with the consent of the judge for conduct warranting discipline. The public reproof shall include an enumeration of any and all formal charges brought against the judge which have not been dismissed by the commission.

(3) The Commission on Judicial Performance may in the pursuit of public confidence and the interests of justice, issue press statements or releases or, in the event charges involve moral turpitude, dishonesty, or corruption, open hearings to the public.

(g) The Commission on Judicial Performance may issue explanatory statements at any investigatory stage when the subject matter is generally known to the public.

(h) The Judicial Council shall make rules implementing this section and providing for confidentiality of proceedings.

(g) No court, except the Supreme Court, shall have jurisdiction in a civil action or other legal proceeding of any sort brought against the commission by a judge. Any request for injunctive relief or other provisional remedy shall be granted or denied within 90 days of the filing of the request for relief. A failure to comply with the time requirements of this section does not affect the validity of commission proceedings.

(h) Members of the commission, the commission staff, and the examiners and investigators employed by the commission shall be absolutely immune from suit for all conduct at any time in the course of their official duties. No civil action may be maintained against a person, or adverse employment action taken against a person, by any employer, public or private, based on statements presented by the person to the commission.

(i) The Commission on Judicial Performance shall make rules implementing this section, including, but not limited to, the following:

(1) *The commission shall make rules for the investigation of judges. The commission may provide for the confidentiality of complaints to and investigations by the commission.*

(2) *The commission shall make rules for formal proceedings against judges when there is cause to believe there is a disability or wrongdoing within the meaning of subdivision (d).*

(j) *When the commission institutes formal proceedings, the notice of charges, the answer, and all subsequent papers and proceedings shall be open to the public for all formal proceedings instituted after February 28, 1995.*

(k) *The commission may make explanatory statements.*

(l) *The budget of the commission shall be separate from the budget of any other state agency or court.*

(m) *The Supreme Court shall make rules for the conduct of judges, both on and off the bench, and for judicial candidates in the conduct of their campaigns. These rules shall be referred to as the Code of Judicial Ethics.*

Third—That Section 18.5 is added to Article VI thereof, to read:

SEC. 18.5. (a) *Upon request, the Commission on Judicial Performance shall provide to the Governor of any State of the Union the text of any private admonishment, advisory letter, or other disciplinary action together with any information that the Commission on Judicial Performance deems necessary to a full understanding of the commission's action, with respect to any applicant whom the Governor of any State of the Union indicates is under consideration for any judicial appointment.*

(b) *Upon request, the Commission on Judicial Performance shall provide the President of the United States the text of any private admonishment, advisory letter, or other disciplinary action together with any information that the Commission on Judicial Performance deems necessary to a full understanding of the commission's action, with respect to any applicant whom the President indicates is under consideration for any federal judicial appointment.*

(c) *Upon request, the Commission on Judicial Performance shall provide the Commission on Judicial Appointments the text of any private admonishment, advisory letter, or other disciplinary action together with any information that the Commission on Judicial Performance deems necessary to a full understanding of the commission action, with respect to any applicant whom the Commission on Judicial Appointments indicates is under consideration for any judicial appointment.*

(d) *All information released under this section shall remain confidential and privileged.*

(e) *Notwithstanding subdivision (d), any information released pursuant to this section shall also be provided to the applicant about whom the information was requested.*

(f) *“Private admonishment” refers to a disciplinary action against a judge by the Commission on Judicial Performance as authorized by subdivision (c) of Section 18 of Article VI, as amended November 8, 1988.*

Fourth—That this measure shall become operative on March 1, 1995.

Number
on ballot

191. **Justice Courts.** (Statutes 1994, Resolution Chapter 113, SCA 7)
[Approved by electors November 8, 1994.]

PROPOSED AMENDMENTS TO ARTICLE VI

First—That Section 1 of Article VI thereof is amended to read:

SEC. 1. The judicial power of this State is vested in the Supreme Court, courts of appeal, superior courts, *and* municipal courts, ~~and justice courts~~. All courts are courts of record.

Second—That Section 5 of Article VI thereof is amended to read:

SEC. 5. (a) Each county shall be divided into municipal court ~~and justice court~~ districts as provided by statute, but a city may not be divided into more than one district. Each municipal ~~and justice~~ court shall have one or more judges. *Each municipal court district shall have no fewer than 40,000 residents; provided that each county shall have at least one municipal court district. The number of residents shall be determined as provided by statute.*

(b) On the operative date of this subdivision, all existing justice courts shall become municipal courts, and the number, qualifications, and compensation of judges, officers, attachés, and employees shall continue until changed by the Legislature. Each judge of a part-time municipal court is deemed to have agreed to serve full time and shall be available for assignment by the Chief Justice for the balance of time necessary to comprise a full-time workload.

~~There shall be a municipal court in each district of more than 40,000 residents and a justice court in each district of 40,000 residents or less. The number of residents shall be ascertained as provided by statute.~~

(c) The Legislature shall provide for the organization and prescribe the jurisdiction of municipal ~~and justice~~ courts. It shall prescribe for each municipal court ~~and provide for each justice court~~ the number, qualifications, and compensation of judges, officers, and employees.

~~(b)~~

(d) Notwithstanding the provisions of subdivision (a), any city in San Diego County may be divided into more than one municipal court ~~or justice court~~ district if the Legislature determines that unusual geographic conditions warrant such division.

Third—That Section 6 of Article VI thereof is amended to read:

SEC. 6. The Judicial Council consists of the Chief Justice and one other judge of the Supreme Court, 3 judges of courts of appeal, 5 judges of superior courts, ~~3 and 5~~ judges of municipal courts, ~~and 2~~ judges of justice courts, each appointed by the Chief Justice for a 2-year term; 4 members of the State Bar appointed by its governing body for 2-year terms; and one member of each house of the Legislature appointed as provided by the house.

Council membership terminates if a member ceases to hold the position that qualified the member for appointment. A vacancy shall be filled by the appointing power for the remainder of the term.

The council may appoint an Administrative Director of the Courts, who serves at its pleasure and performs functions delegated by the council or the Chief Justice, other than adopting rules of court administration, practice and procedure.

To improve the administration of justice the council shall survey judicial business and make recommendations to the courts, make recommendations

annually to the Governor and Legislature, adopt rules for court administration, practice and procedure, not inconsistent with statute, and perform other functions prescribed by statute.

The Chief Justice shall seek to expedite judicial business and to equalize the work of judges. The Chief Justice may provide for the assignment of any judge to another court but only with the judge's consent if the court is of lower jurisdiction. A retired judge who consents may be assigned to any court.

Judges shall report to the Judicial Council as the Chief Justice directs concerning the condition of judicial business in their courts. They shall cooperate with the council and hold court as assigned.

Fourth—That Section 11 of Article VI thereof is amended to read:

SEC. 11. The Supreme Court has appellate jurisdiction when judgment of death has been pronounced. With that exception courts of appeal have appellate jurisdiction when superior courts have original jurisdiction and in other causes prescribed by statute.

Superior courts have appellate jurisdiction in causes prescribed by statute that arise in municipal ~~and justice~~ courts in their counties.

The Legislature may permit appellate courts to take evidence and make findings of fact when jury trial is waived or not a matter of right.

Fifth—That Section 15 of Article VI thereof is amended to read:

SEC. 15. A person is ineligible to be a judge of a court of record unless for 5 years immediately preceding selection to a municipal ~~or justice~~ court or 10 years immediately preceding selection to other courts, the person has been a member of the State Bar or served as a judge of a court of record in this State. A judge eligible for municipal court service may be assigned by the Chief Justice to serve on any court.

INITIATIVE STATUTES

*Number
on ballot*

184. Increased Sentences. Repeat Offenders.

[Approved by electors November 8, 1994.]

PROPOSED LAW

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

It is the intent of the People of the State of California in enacting this measure to ensure longer prison sentences and greater punishment for those who commit a felony and have been previously convicted of serious and/or violent felony offenses.

SECTION 1. Section 1170.12 is added to the Penal Code, to read:

1170.12. (a) *Notwithstanding any other provision of law, if a defendant has been convicted of a felony and it has been pled and proved that the defendant has one or more prior felony convictions, as defined in subdivision (b), the court shall adhere to each of the following:*

(1) *There shall not be an aggregate term limitation for purposes of consecutive sentencing for any subsequent felony conviction.*

(2) *Probation for the current offense shall not be granted, nor shall execution or imposition of the sentence be suspended for any prior offense.*

(3) *The length of time between the prior felony conviction and the current felony conviction shall not affect the imposition of sentence.*

(4) *There shall not be a commitment to any other facility other than the state prison. Diversion shall not be granted nor shall the defendant be eligible for commitment to the California Rehabilitation Center as provided in Article 2 (commencing with Section 3050) of Chapter 1 of Division 3 of the Welfare and Institutions Code.*

(5) *The total amount of credits awarded pursuant to Article 2.5 (commencing with Section 2930) of Chapter 7 of Title 1 of Part 3 shall not exceed one-fifth of the total term of imprisonment imposed and shall not accrue until the defendant is physically placed in the state prison.*

(6) *If there is a current conviction for more than one felony count not committed on the same occasion, and not arising from the same set of operative facts, the court shall sentence the defendant consecutively on each count pursuant to this section.*

(7) *If there is a current conviction for more than one serious or violent felony as described in paragraph (6) of this subdivision, the court shall impose the sentence for each conviction consecutive to the sentence for any other conviction for which the defendant may be consecutively sentenced in the manner prescribed by law.*

(8) *Any sentence imposed pursuant to this section will be imposed consecutive to any other sentence which the defendant is already serving, unless otherwise provided by law.*

(b) *Notwithstanding any other provision of law and for the purposes of this section, a prior conviction of a felony shall be defined as:*

(1) *Any offense defined in subdivision (c) of Section 667.5 as a violent felony or any offense defined in subdivision (c) of Section 1192.7 as a serious felony in this state. The determination of whether a prior conviction is a prior felony conviction for purposes of this section shall be made upon the date of that prior conviction and is not affected by the sentence imposed unless the sentence automatically, upon the initial sentencing, converts the felony to a misdemeanor. None of the following dispositions shall affect the determination that a prior conviction is a prior felony for purposes of this section:*

(A) *The suspension of imposition of judgment or sentence.*

(B) *The stay of execution of sentence.*

(C) *The commitment to the State Department of Health Services as a mentally disordered sex offender following a conviction of a felony.*

(D) *The commitment to the California Rehabilitation Center or any other facility whose function is rehabilitative diversion from the state prison.*

(2) *A conviction in another jurisdiction for an offense that, if committed in California, is punishable by imprisonment in the state prison. A prior conviction of a particular felony shall include a conviction in another jurisdiction for an offense that includes all of the elements of the particular felony as defined in subdivision (c) of Section 667.5 or subdivision (c) of Section 1192.7.*

(3) *A prior juvenile adjudication shall constitute a prior felony conviction for purposes of sentence enhancement if:*

(A) *The juvenile was sixteen years of age or older at the time he or she committed the prior offense, and*

(B) *The prior offense is*

(i) *listed in subdivision (b) of Section 707 of the Welfare and Institutions Code, or*

(ii) *listed in this subdivision as a felony, and*

(C) The juvenile was found to be a fit and proper subject to be dealt with under the juvenile court law, and

(D) The juvenile was adjudged a ward of the juvenile court within the meaning of Section 602 of the Welfare and Institutions Code because the person committed an offense listed in subdivision (b) of Section 707 of the Welfare and Institutions Code.

(c) For purposes of this section, and in addition to any other enhancements or punishment provisions which may apply, the following shall apply where a defendant has a prior felony conviction:

(1) If a defendant has one prior felony conviction that has been pled and proved, the determinate term or minimum term for an indeterminate term shall be twice the term otherwise provided as punishment for the current felony conviction.

(2) (A) If a defendant has two or more prior felony convictions, as defined in paragraph (1) of subdivision (b), that have been pled and proved, the term for the current felony conviction shall be an indeterminate term of life imprisonment with a minimum term of the indeterminate sentence calculated as the greater of

(i) three times the term otherwise provided as punishment for each current felony conviction subsequent to the two or more prior felony convictions, or

(ii) twenty-five years or

(iii) the term determined by the court pursuant to Section 1170 for the underlying conviction, including any enhancement applicable under Chapter 4.5 (commencing with Section 1170) of Title 7 of Part 2, or any period prescribed by Section 190 or 3046.

(B) The indeterminate term described in subparagraph (A) of paragraph (2) of this subdivision shall be served consecutive to any other term of imprisonment for which a consecutive term may be imposed by law. Any other term imposed subsequent to any indeterminate term described in subparagraph (A) of paragraph (2) of this subdivision shall not be merged therein but shall commence at the time the person would otherwise have been released from prison.

(d) (1) Notwithstanding any other provision of law, this section shall be applied in every case in which a defendant has a prior felony conviction as defined in this section. The prosecuting attorney shall plead and prove each prior felony conviction except as provided in paragraph (2).

(2) The prosecuting attorney may move to dismiss or strike a prior felony conviction allegation in the furtherance of justice pursuant to Section 1385, or if there is insufficient evidence to prove the prior conviction. If upon the satisfaction of the court that there is insufficient evidence to prove the prior felony conviction, the court may dismiss or strike the allegation.

(e) Prior felony convictions shall not be used in plea bargaining, as defined in subdivision (b) of Section 1192.7. The prosecution shall plead and prove all known prior felony convictions and shall not enter into any agreement to strike or seek the dismissal of any prior felony conviction allegation except as provided in paragraph (2) of subdivision (d).

SECTION 2. All references to existing statutes are to statutes as they existed on June 30, 1993.

SECTION 3. If any provision of this act or the application thereof to any person or circumstances is held invalid, that invalidity shall not affect other provisions or applications of the act which can be given effect without the invalid provision or application, and to this end the provisions of this act are severable.

SECTION 4. The provisions of this measure shall not be amended by the Legislature except by statute passed in each house by rollcall vote entered in the journal, two-thirds of the membership concurring, or by a statute that becomes effective only when approved by the electors.

*Number
on ballot*

187. Illegal Aliens. Ineligibility for Public Services. Verification and Reporting.

[Approved by electors November 8, 1994.]

PROPOSED LAW

SECTION 1. Findings and Declaration.

The People of California find and declare as follows:

That they have suffered and are suffering economic hardship caused by the presence of illegal aliens in this state.

That they have suffered and are suffering personal injury and damage caused by the criminal conduct of illegal aliens in this state.

That they have a right to the protection of their government from any person or persons entering this country unlawfully.

Therefore, the People of California declare their intention to provide for cooperation between their agencies of state and local government with the federal government, and to establish a system of required notification by and between such agencies to prevent illegal aliens in the United States from receiving benefits or public services in the State of California.

SECTION 2. Manufacture, Distribution or Sale of False Citizenship or Resident Alien Documents: Crime and Punishment.

Section 113 is added to the Penal Code, to read:

113. Any person who manufactures, distributes or sells false documents to conceal the true citizenship or resident alien status of another person is guilty of a felony, and shall be punished by imprisonment in the state prison for five years or by a fine of seventy-five thousand dollars (\$75,000).

SECTION 3. Use of False Citizenship or Resident Alien Documents: Crime and Punishment.

Section 114 is added to the Penal Code, to read:

114. Any person who uses false documents to conceal his or her true citizenship or resident alien status is guilty of a felony, and shall be punished by imprisonment in the state prison for five years or by a fine of twenty-five thousand dollars (\$25,000).

SECTION 4. Law Enforcement Cooperation with INS.

Section 834b is added to the Penal Code, to read:

834b. (a) Every law enforcement agency in California shall fully cooperate with the United States Immigration and Naturalization Service regarding any person who is arrested if he or she is suspected of being present in the United States in violation of federal immigration laws.

(b) With respect to any such person who is arrested, and suspected of being present in the United States in violation of federal immigration laws, every law enforcement agency shall do the following:

(1) Attempt to verify the legal status of such person as a citizen of the United States, an alien lawfully admitted as a permanent resident, an alien lawfully admitted for a temporary period of time or as an alien who is present in the United States in violation of immigration laws. The verification process may

include, but shall not be limited to, questioning the person regarding his or her date and place of birth, and entry into the United States, and demanding documentation to indicate his or her legal status.

(2) Notify the person of his or her apparent status as an alien who is present in the United States in violation of federal immigration laws and inform him or her that, apart from any criminal justice proceedings, he or she must either obtain legal status or leave the United States.

(3) Notify the Attorney General of California and the United States Immigration and Naturalization Service of the apparent illegal status and provide any additional information that may be requested by any other public entity.

(c) Any legislative, administrative, or other action by a city, county, or other legally authorized local governmental entity with jurisdictional boundaries, or by a law enforcement agency, to prevent or limit the cooperation required by subdivision (a) is expressly prohibited.

SECTION 5. Exclusion of Illegal Aliens from Public Social Services.

Section 10001.5 is added to the Welfare and Institutions Code, to read:

10001.5. (a) In order to carry out the intention of the People of California that only citizens of the United States and aliens lawfully admitted to the United States may receive the benefits of public social services and to ensure that all persons employed in the providing of those services shall diligently protect public funds from misuse, the provisions of this section are adopted.

(b) A person shall not receive any public social services to which he or she may be otherwise entitled until the legal status of that person has been verified as one of the following:

(1) A citizen of the United States.

(2) An alien lawfully admitted as a permanent resident.

(3) An alien lawfully admitted for a temporary period of time.

(c) If any public entity in this state to whom a person has applied for public social services determines or reasonably suspects, based upon the information provided to it, that the person is an alien in the United States in violation of federal law, the following procedures shall be followed by the public entity:

(1) The entity shall not provide the person with benefits or services.

(2) The entity shall, in writing, notify the person of his or her apparent illegal immigration status, and that the person must either obtain legal status or leave the United States.

(3) The entity shall also notify the State Director of Social Services, the Attorney General of California, and the United States Immigration and Naturalization Service of the apparent illegal status, and shall provide any additional information that may be requested by any other public entity.

SECTION 6. Exclusion of Illegal Aliens from Publicly Funded Health Care.

Chapter 1.3 (commencing with Section 130) is added to Part 1 of Division 1 of the Health and Safety Code, to read:

CHAPTER 1.3. PUBLICLY-FUNDED HEALTH CARE SERVICES

130. (a) In order to carry out the intention of the People of California that, excepting emergency medical care as required by federal law, only citizens of the United States and aliens lawfully admitted to the United States may receive the benefits of publicly-funded health care, and to ensure that all persons employed in the providing of those services shall diligently protect public funds from misuse, the provisions of this section are adopted.

(b) A person shall not receive any health care services from a publicly-funded health care facility, to which he or she is otherwise entitled until the legal status of that person has been verified as one of the following:

(1) A citizen of the United States.

(2) An alien lawfully admitted as a permanent resident.

(3) An alien lawfully admitted for a temporary period of time.

(c) If any publicly-funded health care facility in this state from whom a person seeks health care services, other than emergency medical care as required by federal law, determines or reasonably suspects, based upon the information provided to it, that the person is an alien in the United States in violation of federal law, the following procedures shall be followed by the facility:

(1) The facility shall not provide the person with services.

(2) The facility shall, in writing, notify the person of his or her apparent illegal immigration status, and that the person must either obtain legal status or leave the United States.

(3) The facility shall also notify the State Director of Health Services, the Attorney General of California, and the United States Immigration and Naturalization Service of the apparent illegal status, and shall provide any additional information that may be requested by any other public entity.

(d) For purposes of this section "publicly-funded health care facility" shall be defined as specified in Sections 1200 and 1250 of this code as of January 1, 1993.

SECTION 7. Exclusion of Illegal Aliens from Public Elementary and Secondary Schools.

Section 48215 is added to the Education Code, to read:

48215. (a) No public elementary or secondary school shall admit, or permit the attendance of, any child who is not a citizen of the United States, an alien lawfully admitted as a permanent resident, or a person who is otherwise authorized under federal law to be present in the United States.

(b) Commencing January 1, 1995, each school district shall verify the legal status of each child enrolling in the school district for the first time in order to ensure the enrollment or attendance only of citizens, aliens lawfully admitted as permanent residents, or persons who are otherwise authorized to be present in the United States.

(c) By January 1, 1996, each school district shall have verified the legal status of each child already enrolled and in attendance in the school district in order to ensure the enrollment or attendance only of citizens, aliens lawfully admitted as permanent residents, or persons who are otherwise authorized under federal law to be present in the United States.

(d) By January 1, 1996, each school district shall also have verified the legal status of each parent or guardian of each child referred to in subdivisions (b) and (c), to determine whether such parent or guardian is one of the following:

(1) A citizen of the United States.

(2) An alien lawfully admitted as a permanent resident.

(3) An alien admitted lawfully for a temporary period of time.

(e) Each school district shall provide information to the State Superintendent of Public Instruction, the Attorney General of California, and the United States Immigration and Naturalization Service regarding any enrollee or pupil, or parent or guardian, attending a public elementary or secondary school in the school district determined or reasonably suspected to be in violation of federal immigration laws within forty-five days after becoming aware of an apparent violation. The notice shall also be provided to the parent or legal guardian of the

enrollee or pupil, and shall state that an existing pupil may not continue to attend the school after ninety calendar days from the date of the notice, unless legal status is established.

(f) For each child who cannot establish legal status in the United States, each school district shall continue to provide education for a period of ninety days from the date of the notice. Such ninety day period shall be utilized to accomplish an orderly transition to a school in the child's country of origin. Each school district shall fully cooperate in this transition effort to ensure that the educational needs of the child are best served for that period of time.

SECTION 8. Exclusion of Illegal Aliens from Public Postsecondary Educational Institutions.

Section 66010.8 is added to the Education Code, to read:

66010.8. (a) No public institution of postsecondary education shall admit, enroll, or permit the attendance of any person who is not a citizen of the United States, an alien lawfully admitted as a permanent resident in the United States, or a person who is otherwise authorized under federal law to be present in the United States.

(b) Commencing with the first term or semester that begins after January 1, 1995, and at the commencement of each term or semester thereafter, each public postsecondary educational institution shall verify the status of each person enrolled or in attendance at that institution in order to ensure the enrollment or attendance only of United States citizens, aliens lawfully admitted as permanent residents in the United States, and persons who are otherwise authorized under federal law to be present in the United States.

(c) No later than 45 days after the admissions officer of a public postsecondary educational institution becomes aware of the application, enrollment, or attendance of a person determined to be, or who is under reasonable suspicion of being, in the United States in violation of federal immigration laws, that officer shall provide that information to the State Superintendent of Public Instruction, the Attorney General of California, and the United States Immigration and Naturalization Service. The information shall also be provided to the applicant, enrollee, or person admitted.

SECTION 9. Attorney General Cooperation with the INS.

Section 53069.65 is added to the Government Code, to read:

53069.65. Whenever the state or a city, or a county, or any other legally authorized local governmental entity with jurisdictional boundaries reports the presence of a person who is suspected of being present in the United States in violation of federal immigration laws to the Attorney General of California, that report shall be transmitted to the United States Immigration and Naturalization Service. The Attorney General shall be responsible for maintaining on-going and accurate records of such reports, and shall provide any additional information that may be requested by any other government entity.

SECTION 10. Amendment and Severability.

The statutory provisions contained in this measure may not be amended by the Legislature except to further its purposes by statute passed in each house by rollcall vote entered in the journal, two-thirds of the membership concurring, or by a statute that becomes effective only when approved by the voters.

In the event that any portion of this act or the application thereof to any person or circumstance is held invalid, that invalidity shall not affect any other provision or application of the act, which can be given effect without the invalid provision or application, and to that end the provisions of this act are severable.

MEASURES DEFEATED

INITIATIVE CONSTITUTIONAL AMENDMENT AND STATUTE

Number
on ballot

186. **Health Services. Taxes.**

[Rejected by electors November 8, 1994.]

PROPOSED LAW

CALIFORNIA HEALTH SECURITY ACT

SECTION 1. This initiative establishes a California health security system that will protect California consumers, taxpayers, and employers from the skyrocketing cost of health care. Savings will be achieved by limiting health care costs, eliminating waste, and emphasizing disease prevention. Under the time-tested single-payer system established by this act and administered by an elected Health Commissioner, the practice of medicine will remain private. Under the health security system, all Californians will have free choice of health care provider, regardless of employment, and access to comprehensive health care, including long-term care. The health security system will provide these services for the same or less money in real dollars than is spent on health care in California today.

SECTION 2. Division 13 (commencing with Section 25000) is added to the Welfare and Institutions Code, to read:

DIVISION 13. CALIFORNIA HEALTH SECURITY ACT

CHAPTER 1. FINDINGS AND INTENT

25000. *This act shall be known and may be cited as the California Health Security Act.*

25001. *Findings and declarations.*

The people of the State of California find and declare as follows:

(a) *Californians have a right not to be financially ruined when they or their loved ones become sick or ill.*

(b) *California employers have a right not to be driven into insolvency by the spiraling cost of employee medical benefits.*

(c) *Californians have a right to high-quality health care.*

(d) *Californians should be guaranteed the freedom to choose their own doctor or other health care provider.*

(e) *Californians should not be at risk of losing their health benefits if they change or lose their jobs.*

(f) *California taxpayers are bearing enormous financial costs because many Californians do not have a regular health care provider. This lack of primary care leads to expensive overuse of emergency facilities resulting in exorbitant financial costs that are ultimately borne by the taxpayers.*

(g) *Because health care costs are rising faster than wages and prices, the number of uninsured and under-insured Californians is growing at an alarming rate. Over five million Californians presently have no health insurance. Children, low-income working and unemployed individuals, and individuals with disabilities and chronic conditions, in particular, are having a harder and harder time getting all types of medical care.*

(h) In spite of the fact that employers and individuals spend huge amounts of money purchasing health insurance from insurance companies, the insurance they purchase often does not provide adequate medical care or real protection from financial ruin, especially if a loved one develops a catastrophic illness or needs long-term care.

(i) Enormous savings will be achieved in California upon institution of a single-payer for health care. Savings will be achieved by decreasing wasteful administrative overhead, bargaining for the best possible prescription drug prices, providing more cost-effective primary care, and by providing long-term care at home. The current health care system is so wasteful that the savings will be enough to fund universal coverage for all medical care services and extend benefits to include long-term care, mental health care, and some dental services, and increase the resources available to prevent disease, all for the same amount of money currently spent on health care in California.

(j) The quality of health care can be improved in California upon institution of a single-payer for health care. Quality can be improved by changing those features of the health care system that underserve consumers and which subject some to the risks of unnecessary medical treatments.

(k) Since people always need health care services, prices for those services often do not respond to normal supply-and-demand market forces. As a result, health care costs much more than it should to provide for the health care needs of Californians. Any health care delivery system relying on price competition is unlikely to keep costs in check or provide universal health services to the population. Price control is therefore necessary to achieve cost containment and to make quality health care accessible to all.

(l) Because the best way to control health care costs in the long run is to prevent disease, funding for public health measures, and for research directed at the causes and prevention of disease, should be directly related to the overall cost of illness to society.

(m) Health care consumers need to participate in developing and reviewing public policies affecting the quality, accessibility, and accountability of health care service providers. Health care consumers therefore have the right voluntarily to join and support a democratically-controlled Health Care Consumer Council that will represent their interests before administrative, judicial, and legislative bodies, and that will have an efficient and honest system for funding.

(n) Safeguarding the quality and accountability of the health care system requires that there be a Health Commissioner who is elected by a direct vote of the people of California.

25002. Purpose and intent.

The people enact this act to accomplish the following purposes:

(a) To replace the current hodgepodge of government programs, private health insurance, and health care expenditures by individuals with a comprehensive and sensible health security system that will provide all medically appropriate care specific to individual needs, including preventive, mental health, and long-term care, as well as prescription drug coverage, and some dental care for all Californians.

(b) To control health care costs without compromising quality, primarily by eliminating wasteful overhead and excessive expenditures that do not contribute to the quality of health care.

(c) *To finance the health security system in a manner that is fair, and spend no more money per individual in real dollars than is now being spent on health care in California.*

(d) *To provide incentives by which competition can improve quality and service in the health care system. When consumers have freedom of choice of health care providers, instead of a restricted choice of health plans based on what they can afford, providers have an incentive to provide the best quality care and service, in order to attract patients. When providers have freedom of mode of reimbursement, such as a choice of fee-for-service, capitation, or salary, under an overall budget, they can focus on taking the best possible care of their patients, without bureaucratic intrusion into the relationship between individual providers and their patients.*

(e) *To allocate health security system funds effectively in order to make the highest standards of care available for all Californians.*

(f) *To address the current and future health care needs of all Californians through emphasis on public health measures, changes in training and distribution of health care workers, and an intensive program of research into the causes of disease and the most effective means of preventing illness.*

(g) *To convert the current health care delivery system from one focused on emergency care to one focused on primary health care services and the promotion, restoration, and maintenance of health. These reforms will integrate all health care services and emphasize preventive services, early intervention, vigorous rehabilitation, and restorative care in order to make health care a more vital part of individual and community life.*

(h) *To establish a governance structure for the health security system that is democratic and accountable while assuring the quality, reliability, efficiency, and effectiveness of the system.*

(i) *To ensure effective representation of the interests of the state's health care consumers before all administrative, judicial, and legislative bodies by establishing a Health Care Consumer Council funded only by voluntary contributions and grants and controlled by a democratically-elected board of directors.*

(j) *To provide initial benefits under the health security system as of January 1, of the second year following passage of the act, with full benefits provided no more than four years later.*

(k) *To have a neutral effect on the spending limit in Article XIII B of the California Constitution so that spending under this act neither increases nor decreases the amount of appropriations available for non-health-related spending by state and local government entities.*

(l) *To give the elected Health Commissioner the maximum authority permitted by law to determine budgeting needs and appropriations for the health security system.*

(m) *To achieve compliance with federal health care reform legislation and to obtain the maximum amount of federal revenues possible to fund the health security system.*

25003. Construction.

This act shall be liberally construed to accomplish its purposes.

CHAPTER 2. DEFINITIONS

25004. *The definitions contained in this section shall govern the construction of this division, unless the context requires otherwise.*

(a) "Academic medical center" means a health facility associated with a degree-granting health professional training program and with major resource commitments to research.

(b) "Advisory board" means the Health Care Policy Advisory Board appointed by the commissioner to make expert recommendations on all aspects of health care policy.

(c) "Base year" means the 12 months prior to the passage of the act.

(d) "Base fiscal year" means the fiscal year of passage of the act.

(e) "Capitation" means allocation of health security system funds to a professional provider or integrated professional provider network based on the number of individuals whose health care must be covered, with respect to all benefits available under the health security system, for the calendar year, or part thereof, by that professional provider or professional provider network.

(f) "Clinic" means a facility licensed pursuant to Chapter 1 (commencing with Section 1200) of Division 2 of the Health and Safety Code, subject to standards and criteria.

(g) "Clinical case manager" means a licensed professional provider who provides case management of an individual's health care. A case manager shall be a primary care professional provider, except in the case of individuals with particular chronic medical conditions requiring a specialist to be the case manager. An individual may select a specialist as a case manager if his or her primary health care needs are served within that specialty and the specialist is able and willing to provide individual case management.

(h) "Clinical case management" means a collaborative process that assesses, plans, implements, coordinates, monitors, and evaluates options and services to meet an individual's health care needs through communications and available resources to promote quality, cost-effective outcomes.

(i) "Commissioner" means the California State Health Commissioner, whose office is established by this act.

(j) "Complementary medicine" means those medical and health practices based upon empirical healing benefits and cultural traditions that do not rely on prevailing allopathic pharmaceuticals and techniques.

(k) "Consumer council" means the Health Care Consumer Council established by this act.

(l) "Effective date" means the day after passage of this act.

(m) "Elective care" means health care services that are not emergency care or urgent care, as determined by the commissioner based on recommendation of the advisory board.

(n) "Employee" means a resident of California who works for an employer, is listed on the employer's payroll records, and is under the employer's control.

(o) "Employer" means any person, partnership, corporation, association, joint venture, or public or private entity employing for wages, salary, or other compensation, one or more employees at any one time to work in this state. "Employer" does not include self-employed persons with respect to earnings from self-employment.

(p) "Emergency care" means health care services required for alleviation of severe pain or distress or for immediate diagnosis and treatment of unforeseen medical conditions which, if not immediately diagnosed and treated, could lead to disability or death, as defined in Section 16953 of the Welfare and Institutions Code.

(q) "Health facility" means a facility licensed pursuant to Chapter 2 (commencing with Section 1250) of, and Chapter 8 (commencing with Section 1725) of, Division 2 of the Health and Safety Code, subject to standards and criteria.

(r) "Health security system" means the program of comprehensive health services administered by the commissioner as set out in this act, and all policies and directives of the commissioner.

(s) "Medical care" means all health care items and services, except for items and services not reasonable and necessary for the diagnosis, treatment, or prevention of illness or injury or to improve the functioning of a malformed or injured body member, according to guidelines established by the commissioner based on recommendation of the advisory board.

(t) "Medical indication" means the set of medical conditions for which there is evidence that a particular service improves the overall health outcome of patients receiving that service.

(u) "Medically appropriate" means all health care services and procedures chosen by the patient's health care professional provider subject to the guidelines established by the commissioner based on recommendation of the advisory board.

(v) "Mental health care" means health care services provided for the prevention, diagnosis, or treatment, of one or more mental disorders, including substance dependence and abuse and diseases of the brain.

(w) "Mode of reimbursement" means the way in which a professional provider is paid, including, but not necessarily limited to, any of the following:

(1) A fee for each service provided.

(2) Capitation.

(3) Salary.

(x) "Primary care" means comprehensive, longitudinal, individual clinical prevention and treatment services, provided by a professional provider acting within the scope of his or her practice, subject to standards and criteria.

(y) "Primary care provider" means a professional provider delivering primary care.

(z) "Professional provider" means an individual licensed to provide health care services pursuant to Division 2 (commencing with Section 500) of the Business and Professions Code, subject to standards and criteria.

(aa) "Provider" means a professional provider, health facility, or clinic, subject to standards and criteria.

(bb) "Regional administrator" means the individual appointed by the commissioner to coordinate health security system activities in a system region.

(cc) "Regional consumer advocate" means the individual appointed for each system region by the commissioner to serve as the ombudsperson and liaison between health care consumers and the health security system.

(dd) "Resident" means a resident of California as determined pursuant to Section 244 of the Government Code, or as otherwise defined by the Legislature.

(ee) "Secondary care" means both of the following:

(1) Outpatient health care services other than those that constitute primary care.

(2) Inpatient health care services other than those that constitute tertiary care.

(ff) "Specialist" means those professional providers who are specialty board certified or eligible for certification, who currently provide specialized health care services in the State of California, or who provide specialized health care services and accept referrals from primary care providers, case managers, and other specialists, subject to standards and criteria.

(gg) "State gross domestic product" means the sum total of the value of all goods sold, and services provided, in the State of California for any given year as determined by the U.S. Department of Commerce.

(hh) "Standards and criteria" means standards and criteria as promulgated by the commissioner.

(ii) "System" means the health security system established by this act.

(jj) "System budget" means the amount of money projected to be spent in the state on health care in any given year under the health security system pursuant to Chapter 7 (commencing with Section 25150).

(kk) "System formulary" means the list of drugs that are covered for payment by the health security system when prescribed by a professional provider acting within the scope of his or her practice according to standards and criteria.

(ll) "System region" means a region of the state composed of geographically contiguous counties grouped on the basis of common economic or demographic characteristics, for administrative and other purposes of the health security system.

(mm) "Tertiary care" means the specialized diagnostic and treatment services for which regional referral centers have been designated by the commissioner.

CHAPTER 3. ELIGIBILITY

25006. (a) All Californians who meet residency requirements defined by the Legislature and certified by the commissioner are eligible for covered benefits specified in Chapter 4 (commencing with Section 25010), other than long-term care benefits as provided in Article 4 (commencing with Section 25025) of Chapter 4.

(b) A California resident eligible for benefits under subdivision (a) is further eligible for long-term care benefits as provided in Article 4 (commencing with Section 25025) of Chapter 4 upon showing any of the following:

(1) That he or she has been employed full time for not less than 24 months, or a correspondingly greater number of months of part-time employment, by an employer who, for the entire time, met either of the following requirements:

(A) Made payments into the Health Security Fund pursuant to Section 25115, less any credit allowed under Section 33003 of the Revenue and Taxation Code.

(B) Was exempt from making payments pursuant to Section 25136.

(2) That he or she has, for a period of two years, made individual payments by way of taxes or otherwise into the Health Security Fund pursuant to Section 25120, less any credit allowed under subdivision (b) of Section 33003 of the Revenue and Taxation Code.

(3) That he or she was, for the period specified, a dependent member of the household of a person qualifying under paragraph (1) or (2).

(4) That he or she is entitled under federal law to those benefits.

(c) Until such time as the Legislature establishes residency requirements for purposes of this act, residency shall be determined according to Section 244 of the Government Code.

(d) Any individual who is not eligible for long-term care under subdivision (b) shall be eligible for care to the same extent and under the same conditions as he or she would have been eligible under programs existing prior to the effective date of this act, including, but not limited to, the Medical Assistance Program (Medi-Cal) and the California Children's Services program.

25007. Eligibility cards.

(a) The regional administrator for each system region shall certify the eligibility of each individual within the region, pursuant to Section 25006, and

shall provide each eligible individual with a card with an identifying number listing any limitations of the services for which the individual is eligible. The card shall be in the form and manner as determined by the commissioner, or as required by federal law.

(b) (1) In the case of minors under the age of 18, the regional administrator shall issue the card to a person having legal custody of the minor. More than one minor may be listed on a single card.

(2) Any eligible minor who is legally capable of giving consent to health care may apply to the regional administrator for a separate card. The card shall be limited to the types of care for which the minor may lawfully consent.

(c) (1) Within 30 days of receipt of a completed application, the regional administrator shall issue an eligibility card, or provide a written explanation for its denial or any restrictions placed thereon.

(2) If good cause exists to believe that the applicant may not meet the eligibility requirements of Section 25006, the regional administrator may extend the period under paragraph (1) up to an additional 30 days to permit further investigation.

(3) Where necessary to avoid an interruption in care, the regional administrator may issue a temporary eligibility card.

25008. Presumptive eligibility.

(a) If a patient arrives at a health facility or clinic who is unconscious, comatose, or otherwise unable because of his or her physical or mental condition to document eligibility or to act in his or her own behalf, or if the patient is a minor, the patient shall be presumed to be eligible and the health facility or clinic shall provide care as if the patient were eligible.

(b) Any individual involuntarily committed to an acute psychiatric facility or to a hospital with psychiatric beds pursuant to any provision of Section 5150 of the Welfare and Institutions Code providing for involuntary commitment, shall be presumed eligible.

25009. Nothing in the California Health Security Act shall relieve the counties of their obligation under Part 5 (commencing with Section 17000) of Division 9.

CHAPTER 4. BENEFITS

Article 1. General

25010. (a) Any eligible individual may choose to receive services under this division from any willing professional provider participating in the health security system.

(b) No eligible individual shall be required to meet a deductible or copayment as a condition for receiving health care services by any health facility or clinic or professional provider reimbursed by the health security system except as follows:

(1) As authorized by the commissioner under provisions for implementing phase-in of the health security system, as provided in Chapter 10 (commencing with Section 25300).

(2) For outpatient prescription drugs as specified in Article 3 (commencing with Section 25020).

(3) For room and board charges as specified in Article 4 (commencing with Section 25025) and Article 5 (commencing with Section 25030).

(4) For cost control purposes as specified in Article 8 (commencing with Section 25225) of Chapter 7.

Article 2. Medical Benefits

25015. Covered benefits in this chapter shall include all medical care determined to be medically appropriate by the patient's health care provider, except as excluded under Section 25045, including, but not limited to, all of the following:

(a) Inpatient and outpatient health facility or clinic services other than long-term care services as defined in subdivision (a) of Section 25025.

(b) Inpatient and outpatient professional provider services, including eye care and home health care.

(c) Diagnostic imaging, laboratory services, and other diagnostic and evaluative services.

(d) Prenatal, perinatal, and maternity care.

(e) Durable medical equipment and appliances including prosthetics, eyeglasses, and hearing aids, as determined by the commissioner.

(f) Podiatry.

(g) Chiropractic.

(h) Dialysis.

(i) Emergency transportation and necessary transportation for health care services for the disabled, as determined by the commissioner.

(j) Rehabilitative care.

(k) Language interpretation for health care services, including sign language, for those unable to speak, hear, or understand English, and for the hearing impaired.

(l) Blood.

25016. Covered benefits in this chapter shall include outreach, education, and screening services, including, but not limited to:

(a) Children's preventive care, well-child care, immunizations, screening, outreach, and education.

(b) Adult preventive care including mammograms, Pap smears and other screening, outreach, and educational services.

Article 3. Prescription Drugs

25020. (a) Covered benefits in this chapter shall include pharmacological products of proven pharmaceutical effectiveness pursuant to a system formulary composed of the best-priced prescription drugs of proven efficacy for particular conditions as set out in Section 25216. In establishing the formulary, and achieving the lowest possible prices for formulary drugs, the commissioner shall not be considered to be the dispenser or distributor of formulary drugs.

(b) Only those prescription drugs on the system formulary shall be reimbursed under the health security system, except where special standards and criteria are met.

(c) The health security system shall cover the full cost of all drugs provided during hospitalizations and during emergency care.

(d) Except as otherwise provided in this subdivision, a copayment of not more than five dollars (\$5) per prescription shall be charged for outpatient prescription drugs.

(1) Standards and criteria for application of, adjustment of, and a ceiling on, outpatient prescription drug copayments shall be established.

(2) A list of drugs available without copayments, including, but not limited to, antineoplastic agents, drugs to combat infectious diseases including tuberculosis, blood derivatives and immune serum globulins, vaccines, and sera, shall be established and may be modified at the discretion of the commissioner.

(3) A mechanism for waiving the prescription drug copayment requirement in the case of individuals whose financial resources are insufficient to meet any copayment shall be established by the commissioner.

(e) A mechanism for daily drug dispensing for those individuals who are eligible for drugs without copayment pursuant to paragraphs (2) and (3) of subdivision (d), but who are deemed unable to manage their own drugs on the basis of repeated loss of prescribed drugs provided without copayment, shall be established according to standards and criteria.

Article 4. Long-Term Services

25025. (a) Long-term services necessary for the physical health, mental health, social, and personal needs of individuals with limited self-care capabilities are covered benefits under this division as provided in this section.

(b) Long-term services shall include all of the following:

- (1) Institutional and residential care including Alzheimer's disease units.
- (2) Home health care.
- (3) Hospice care.
- (4) Home- and community-based services, including personal assistance and attendant care.
- (5) Appropriate access to specialty consultation within long-term care settings.
- (6) Reassessment of an individual's need for long-term services, conducted at appropriate intervals, but not less than once a year.

(c) Individual needs for long-term care shall be determined through a standardized assessment of the individual's abilities for self-care and need for a particular level of care. This assessment shall occur at the time of discharge planning, if applicable, and otherwise shall occur before provision of long-term care services under this section, and shall include all of the following, unless otherwise specified by the commissioner:

- (1) Medical examinations necessary to determine what level of medical care is required.
- (2) Environmental and psychosocial evaluations to determine what the individual can and cannot do for himself or herself physically, as well as mentally.
- (3) Services, service coordination, or case management, to ensure that necessary services are provided to enable the individual to remain safely in the least restrictive setting.

(4) Early intervention services and individualized family services for the developmentally disabled pursuant to Part H of the Individuals with Disabilities Education Act (20 U.S.C. 1471, et seq.) and Title 14 (commencing with Section 95000) of the Government Code.

(d) Services may be provided in the individual's home, or through community-based, residential, or institutional programs, pursuant to standards and criteria.

(e) In providing long-term services under this section, the commissioner shall encourage and reimburse noninstitutional long-term services where appropriate, as determined pursuant to the assessment and reassessment process. At the discretion of the commissioner, up to 100 percent of the cost to the health security system of institutional care may be expended in order to allow persons needing long-term services to remain safely in their homes to the maximum extent possible.

(f) The health security system shall not cover that portion of long-term care expenses incurred for room and board, unless an individual has no resources for payment as determined by the commissioner. Persons with low income and assets

shall be charged for basic room and board at a reduced rate corresponding to a percentage of Social Security or other income, as determined by the commissioner. Additional amenities for room and board may be purchased at individual expense.

Article 5. Mental Health Care Benefits

25030. (a) *Mental health care services that are medically appropriate, including, but not limited to, treatment for substance abuse and treatment for diseases of the brain, are covered benefits under this division.*

(b) *Covered mental health care benefits in this chapter shall include, but not be limited to, the following, when determined to be medically appropriate by the commissioner:*

(1) *Crisis intervention, including assessment, diagnosis, brief emergency treatment, and referral.*

(2) *Outpatient services, including, but not limited to, adult day care, detoxification services, home health care, psychosocial rehabilitation, and professionally sponsored and professionally supervised self-help and peer-support programs which are approved by the commissioner.*

(3) *Intermediate-level care, including, but not limited to, intensive day and evening programs and institutional and residential services. The health security system shall not cover that portion of intermediate-level care expenses incurred for room and board in excess of one meal per day, unless an individual has no resources for payment. Persons with low income and assets shall be charged for basic room and board at a reduced rate, as determined by the commissioner. The reduced rate charged to individuals with low income for room and board shall be a percentage of Social Security or other income, to be determined by the commissioner. Additional amenities for room and board may be purchased at individual expense.*

(4) *Inpatient health facility services as approved by the commissioner based on the recommendations of the advisory board.*

(5) *Professional provider services at outpatient, intermediate, and inpatient levels of care, including, but not limited to, individual, family, and group psychotherapy, medical management, psychological testing, and mental health case management and coordination of care.*

(6) *Diagnostic imaging, laboratory services, and other diagnostic and evaluative services, as provided in Article 2 (commencing with Section 25015).*

(7) *Prescription drugs, as provided in Article 4 (commencing with Section 25020).*

(c) *Services under paragraph (3) of subdivision (b) may be integrated with long-term care services described under Article 4 (commencing with Section 25025) at the discretion of the commissioner.*

(d) *During the first year that benefits are available under the health security system, a patient copayment may apply to certain outpatient mental health care services, as provided in Article 3 (commencing with Section 25305) of Chapter 10.*

Article 6. Dental Benefits

25035. *Dental services are a covered benefit under this chapter as specified by the commissioner. To the extent funding permits, dental benefits shall include the following, in the priority listed:*

(1) *Emergency dental services.*

(2) Dental care for individuals, to the same extent and under the same conditions as they would have been eligible for under programs existing prior to the effective date of this act, including, but not limited to, Medi-Cal.

(3) Preventive dental services and noncosmetic orthodontia for individuals under the age of 18.

(4) Preventive dental services for individuals over the age of 18 and restorative care.

Article 7. Expansion of Covered Benefits

25040. (a) The commissioner may expand benefits beyond the minimum benefits described in this chapter when expansion meets the intent of this division and there are sufficient funds to cover the expansion.

(b) Coverage for any service or benefit not previously covered by the health security system may be instituted without expansion of benefits, provided that the commissioner determines it is of equivalent therapeutic value or is a less costly treatment alternative to a listed service, and if the service or benefit is provided by a professional provider acting within the scope of his or her practice, according to standards and criteria.

Article 8. Excluded Benefits

25045. (a) Services determined to have no medical indication by the advisory board shall be excluded from coverage under the health security system.

(b) Elective services may be restricted or excluded from coverage under the cost containment provisions of Section 25240.

Article 9. Coverage for Californians While Out-of-State

25055. (a) The health security system shall cover all eligible California residents traveling out-of-state for up to 90 days in each 12-month period.

(1) Coverage for emergency care shall be at prevailing local rates.

(2) Coverage for non-emergency care shall be according to rates and conditions established by the commissioner. The commissioner may require transport back to California for further treatment when the patient is medically stable.

(b) The commissioner may make arrangements for reciprocal coverage with other states or countries, provided that the programs provided by the other states or countries are comparable to those available in California in coverage, cost, and quality.

Article 10. Emergency Benefits

25059. (a) Emergency care and health care services necessary to safeguard the health of the population shall be readily available through the health security system to all individuals.

(b) The commissioner shall provide funding to public fire agencies for delivery of emergency medical services and emergency transportation.

CHAPTER 5. GOVERNANCE AND ADMINISTRATION

Article 1. California State Health Commissioner

25060. (a) There is a California State Health Commissioner. The Office of the State Health Commissioner is an agency of the State of California.

(b) The commissioner shall administer the California Health Security System.

(c) The first commissioner shall be appointed by the Governor not less than 75 nor more than 100 days following passage of this act, and shall be confirmed by the Legislature within 30 days of nomination.

(d) *The commissioner shall stand for election at the same time and in the same manner as the Governor.*

(e) *At any time that the commissioner is unable to perform the duties of the office, the deputy health commissioner may perform those duties for a period of up to 90 days.*

(f) *The commissioner may be impeached for malfeasance of office.*

(g) *In the event of vacancy, or inability of the commissioner to perform the duties of office for a period of more than 90 days, an acting commissioner shall be appointed by the Governor and confirmed by the Legislature, for the balance of the commissioner's term.*

(h) *Compensation and benefits of the commissioner shall be determined pursuant to Section 8 of Article III of the California Constitution.*

(i) *The commissioner shall appoint a deputy health commissioner.*

(j) *Neither the commissioner nor the deputy health commissioner, nor either's spouse or children, shall be an employee, director, or stockholder of any company researching, developing, or marketing products or services that would have a financial interest in the outcome of deliberations in which that member would participate as a result of their appointment, during the time of appointment and for a period of three years after completion of the appointment.*

Article 2. Health Commissioner Powers and Duties

25063. *The commissioner's powers include any and all powers necessary and proper to implement this act, and to promote its underlying aims and purposes. These broad powers include, but are not limited to, the power to set rates and promulgate generally binding regulations on any and all matters relating to the implementation of this act and its purposes.*

25065. *The commissioner shall do all of the following:*

(a) *Establish and maintain a system of universal access to medical care for all Californians, as required by this division, including:*

(1) *Implement statutory eligibility standards.*

(2) *Adopt annually a benefits package for consumers which meets or exceeds the minimums required by law.*

(3) *Act directly, or through one or more contractors, as the single payer for all claims for services provided under this chapter.*

(4) *Develop and implement separate formulae for determining budgets pursuant to Article 3 (commencing with Section 25155) of Chapter 7.*

(5) *Review the formulae described in paragraph (4) annually for appropriateness and sufficiency of rates, fees, and prices.*

(6) *Provide for timely payments to professional providers and health facilities and clinics through a structure that is efficient to administer and that eliminates unnecessary administrative costs. The cost of administration of the health security system shall not exceed the limits set in Article 3 (commencing with Section 25155) of Chapter 7.*

(7) *Implement, to the extent permitted by federal law, standardized claims and reporting methods.*

(8) *Establish an enrollment system that will ensure that all eligible Californians, including those who travel frequently, those who cannot read, and those who do not speak English, are aware of their right to health care, and are formally enrolled.*

(9) *Determine the number and precise county-by-county composition of the system regions, based on criteria of common economic and demographic features and geographic contiguity.*

(10) Bid for prescription drug contracts in order to achieve the lowest possible cost for drugs available under the system formulary.

(11) Negotiate for, or set, rates, fees, and prices involving any aspect of the health security system, and establish procedures relating thereto.

(b) (1) Administer the revenues of the health security system in accordance with Chapter 6 (commencing with Section 25100).

(2) Procure funds including loans, lease or purchase property, obtain appropriate liability and other forms of insurance for the health security system, its employees, and agents.

(c) Establish, appoint, and fund, as part of the administration of the health security system, the following:

(1) A Health Care Policy Advisory Board pursuant to Section 25068.

(2) A regional administrator with appropriate staff for each system region pursuant to Section 25074.

(3) A regional consumer advocate with appropriate staff for each system region pursuant to Section 25075.

(d) Administer all aspects of the health security system that include, but are not limited to, all of the following:

(1) Establish standards and criteria for allocation of operating funds and funds from named accounts as described in Section 25250 to system regions.

(2) Meet regularly with the regional administrators and regional consumer advocates to review the impact of the health security system and its policies on the system regions.

(3) Budget the Public Health and Prevention Account, Innovations Account, Capital Improvements Account, Health Worker Training Account, and Reserve Account for each system region in a manner determined by the commissioner to most equitably meet the health care needs of the population of the state as a whole and the population within each region pursuant to the specific purposes for which those accounts have been established as described in Article 9 (commencing with Section 25250) of Chapter 7.

(4) Achieve the best pharmaceutical drug prices for the health security system pursuant to Section 25216.

(e) Gather and analyze data necessary for the efficient and equitable functioning of the health security system pursuant to Section 25095.

(f) In addition to all other powers conferred under this division, the commissioner may:

(1) Employ appropriate staff as necessary to implement this division.

(2) Delegate to appointed staff any aspect of the health security system that is the responsibility of the commissioner. Individuals employed by the commissioner or by any department or state agency that is made a part of the health security system shall perform their duties as the commissioner assigns them.

(3) Employ and direct attorneys on staff or as outside counsel in the defense or implementation of any provision of this act.

(4) Sue and be sued to enforce any provision of this act.

(5) Seek, at his or her discretion, legal advice or counsel from the Attorney General.

(6) Incur traveling expenses as are necessary for the performance of his or her duties.

(7) Issue subpoenas, administer oaths, and examine under oath any person as to any matter pertinent to the administration of the health security system.

(g) *Promulgate procedures and standards for competitive bidding which shall govern the contracts authorized by this section. Notwithstanding any other provision of law, the contracts shall be subject to the competitive bidding requirements so promulgated, and no others.*

(h) *Assure all existing statutes regarding confidentiality of medical records shall continue to apply to the health security system. No policy, directive, or study by the commissioner may be taken that compromises confidentiality of medical records as established by law.*

25066. *Nothing contained in this act shall prevent the Legislature from transferring to the health security system programs for health care, including mental health care for patients in state hospitals and other health care facilities owned by the state, and facilities located in state prisons.*

25067. (a) *The commissioner shall not set any rate, fee, or price, that is confiscatory.*

(b) *Any provider, vendor, or other person aggrieved by a rate, fee, or price set by the commissioner, upon the production of credible evidence that the rate, fee, or price is confiscatory, shall be entitled to a timely hearing.*

(c) *This section shall not apply to any rate, fee, or price that is negotiated with the commissioner.*

Article 3. Health Care Policy Advisory Board

25068. (a) *The commissioner shall establish and appoint a Health Care Policy Advisory Board consisting of health care and public health professionals and other experts, including the Director of Health Services.*

(b) *Members of the advisory board, other than the Director of Health Services, and any committee or task force established by the commissioner, shall be subject to all of the following:*

(1) *Shall serve for a period determined by the commissioner and shall be exempt from civil service pursuant to subdivision (d) of Section 4 of Article VII of the California Constitution.*

(2) *Shall receive a salary and other compensation as determined by the commissioner.*

(3) *Shall not be an employee, director, or stockholder of any for-profit company researching, developing, marketing, or providing health care products or services during the time of appointment and for a period of three years after completion of service on the advisory board, task force, or committee. No individual shall be appointed to the advisory board, task force, or committee whose spouse or child is an employee, director, or stockholder of any for-profit company researching, developing, marketing, or providing health care products or services.*

(c) *The Director of Health Services shall be a member of the advisory board and shall serve without additional compensation.*

25070. *The advisory board shall do all of the following:*

(a) *Make policy recommendations on medical issues, population-based public health issues, research priorities, scope of services, expanding access to care, and health security system evaluation.*

(b) *Review proposals for innovative approaches to health promotion, disease and injury prevention, education, research, and health care delivery.*

(c) *Be consulted by the commissioner regarding any matter involving practice or quality under the health security system.*

(d) Recommend expert task forces, including an expert formulary committee, to be appointed by the commissioner to study and make recommendations on specialized areas of medical policy and effectiveness.

(e) Identify medical services for which there is no credible evidence of significant benefit.

(f) Establish standards and criteria by which requests by health facilities for capital improvements shall be evaluated.

25071. The responsibilities of the formulary committee shall include, but need not be limited to, all of the following:

(a) Prepare, and update as required, a formulary that shall contain drugs covered under the health security system.

(b) Make recommendations to the commissioner as to which drugs are of proven efficacy for particular conditions.

(c) Identify those prescription drugs that are of comparable efficacy or that lack distinguishing features that would justify their independent inclusion in a health security system formulary.

25073. The commissioner shall establish a mechanism to allow the consumer council and any organization or advocacy groups with special health-care-related interests, including those representing complementary medicine, to provide input to the advisory board on a regular basis.

Article 4. Regional Administration

25074. (a) There shall be a regional administrator in each system region whose duties shall include, but are not limited to, negotiating service contracts, preparing budgets, approving and funding of capital expense projects of health facilities and clinics in the region, following guidelines and formulae determined by the commissioner.

(b) Each regional administrator shall be exempt from civil service pursuant to subdivision (d) of Section 4 of Article VII of the California Constitution.

(c) The regional administrator shall not be an employee, director, or stockholder of any for-profit company researching, developing, marketing, or providing health care products or services during the time of appointment and for a period of three years after completion of service. No individual shall be appointed as regional administrator whose spouse or child is an employee, director, or stockholder of any for-profit company researching, developing, marketing, or providing health care products or services.

25075. Regional Consumer Advocates.

(a) There shall be a regional consumer advocate in each system region, appointed by the commissioner.

(b) The regional consumer advocate shall monitor the effectiveness of the health security system within a system region including, but not limited to, examining all of the following:

(1) Complaints and suggestions from the public.

(2) Proposals to be considered by the commissioner in the future.

(3) The commissioner's plans for changes in resource allocation.

(4) The extent to which individual health facilities and clinics in a system region meet the needs of the community in which they are located.

(5) Any other factor bearing on the effectiveness of the health security system.

(c) The regional consumer advocate shall receive, investigate, and respond to complaints from any source about any aspect of the health security system, referring the results of investigations to the appropriate professional provider or facility licensing boards or law enforcement agencies, as appropriate.

(d) *The regional consumer advocate shall publish an annual report to the public containing an evaluation of the health security system in that system region, including, but not limited to, the items described in subdivision (b).*

(e) *The regional consumer advocate shall hold public hearings no less than yearly on, but not limited to, the items listed in subdivision (b).*

(f) *In the pursuit of his or her duties, the regional consumer advocate shall have unlimited access to all non-confidential and non-privileged documents in the custody and control of the commissioner, regional administrator, and health security system staff.*

(g) *The regional consumer advocate shall not be an employee, director, or stockholder of any for-profit company researching, developing, marketing, or providing health care products or services during the time of appointment and for a period of three years after completion of service. No individual shall be appointed as regional consumer advocate whose spouse or child is an employee, director, or stockholder of any for-profit company researching, developing, marketing, or providing health care products or services.*

Article 5. Health Care Consumer Council

25080. (a) *There is established a Health Care Consumer Council as an agency to do all of the following:*

(1) *Advise the commissioner on behalf of health care consumers of the state regarding policies and practices in the provision and delivery of health care services and supplemental health insurance.*

(2) *Educate health care consumers about preparation and submission of claims or disputes to the commissioner or any other entity in regard to provision and delivery of health care services and supplemental health insurance.*

(3) *Represent and promote the interests of health care consumers as a class before the commissioner, or any administrative or judicial body, and initiate, maintain, intervene, or participate in any proceeding related to health care or supplemental health insurance which affects the interests of health care consumers, except that the consumer council shall not represent any person in any action for compensation for injury or damages arising from any provision of health care services or supplemental health insurance.*

(4) *Appear before local, state, and federal legislative or policymaking bodies to advocate and lobby on behalf of the interests of health care consumers.*

(5) *Conduct and support research, surveys, conferences, and public information activities concerning health care and supplemental health insurance matters.*

(6) *Develop proposals to improve the delivery and quality of health care services.*

(7) *Perform all acts necessary or expedient for the administration of its affairs and the attainment of its purposes.*

(b) *The membership of the consumer council shall consist of all individual health care consumers 16 years of age or older residing in the state who have contributed to the consumer council the appropriate annual membership fee. The Board of Directors of the Health Care Consumer Council shall establish an annual membership fee of not less than ten dollars (\$10), to be adjusted every three years for inflation, and provide for reduced fee membership for low-income individuals.*

(c) *Within 90 days of the effective date of this act, the Governor shall appoint five individuals to the interim board of directors, and the Rules Committee of the Senate and the Speaker of the Assembly shall each appoint 10 individuals to the interim board of directors.*

(d) *The interim board of directors shall, prior to the date benefits are first provided under this act, organize the consumer council; inform health care consumers of and solicit their membership in the consumer council; elect officers; employ such staff as are necessary; solicit funds; determine the consumer council electoral districts, each of which shall consist of two state senatorial districts; establish procedures for democratic election of 20 members of the board of directors; oversee the election campaign, tally the votes, and install the elected and appointed directors; and carry out all other duties and exercise all other powers necessary to establish the first elected board, including establishing procedures for the first election of the board of directors regarding conflicts of interest, contribution limitations, nomination procedures, requirements of candidates to submit statements of financial interest, background, and positions, and regarding reimbursement of actual, reasonable expenses of interim directors. The agency shall not participate in any representation of health care consumers before any administrative, judicial, or legislative body before the first elected board of directors is installed.*

(e) *The Board of Directors of the Health Care Consumer Council shall consist of 25 members, of which, one shall be appointed by the Governor, two shall be appointed by the Rules Committee of the Senate and two shall be appointed by the Speaker of the Assembly, subject to the requirements of subdivisions (b) and (f) of this article regarding qualifications for directors. The remaining 20 shall be elected by the membership. The term for all appointed directors shall be two years. Each elected director shall represent a consumer council electoral district. One-third of the directors first elected shall serve for a one-year term, one-third of such directors shall serve for a two-year term, and one-third of such directors shall serve a full three-year term. The directors shall draw lots upon their installation to determine the length of their terms. Once each year, the board shall elect its officers. All directors shall serve without compensation, but may be reimbursed for actual, reasonable expenses incurred by them in the performance of their duties.*

(f) *No present employee, director, consultant, attorney, or accountant of any private health insurance provider, the commissioner, any health care provider, or spouse or child of any such individual, shall be eligible to be appointed or elected to either the interim or subsequent boards of directors, and no candidate for that office may accept any campaign contributions or gifts, either monetary or in kind, from any person. No elected member of the board of directors shall serve more than two consecutive terms and no appointed member shall serve more than one term. No board of directors member or candidate may hold any other elective public office or be a candidate for elective public office or be appointed to hold state or local office.*

(g) *Not more than 60 days after the membership of the consumer council reaches 25,000 persons with at least one hundred members in each consumer council district, the interim board of directors shall set a date for the first general election of directors and shall so notify every member. The date set for elections shall be not less than four months nor more than eight months after such notification. The date of subsequent elections shall be fixed by the board of directors at least four months in advance of the date chosen for the election.*

(h) *The board of directors shall have the following duties:*

(1) *To prescribe rules for the conduct of elections and election campaigns for the board of directors not inconsistent with this act.*

(2) *To establish policies and procedures regarding conflicts of interest; campaign contribution limitations; nomination of candidates for directors; requirements of candidates to submit statements of financial interest, background, and position; and regarding reimbursement of actual, reasonable expenses of directors.*

(3) *To establish the policies of the consumer council regarding appearances before the commissioner, administrative, judicial, and legislative bodies, and regarding other activities which the consumer council has the authority to perform under this act.*

(4) *To maintain up-to-date membership rolls.*

(5) *To keep minutes, books, and records which shall reflect all the acts and transactions of the board of directors which shall be open to examination by any member during regular business hours.*

(6) *To maintain and make all reports and studies compiled by the consumer council pursuant to this article available for public inspection during regular business hours.*

(7) *To maintain for inspection by the membership quarterly statements of the financial and substantive operations of the consumer council.*

(8) *To cause the consumer council's books to be audited by an independent certified public accountant at least once each fiscal year, and to make the audit available to the general public.*

(9) *To prepare, as soon as practicable after the close of the consumer council's fiscal year, an annual report of the consumer council's financial and substantive operations to be made available for public inspection.*

(10) *To conduct an annual membership meeting and therein report to the membership on the past and projected activities and policies of the consumer council. In addition, the consumer council shall sponsor on behalf of each director at least one meeting per year in each consumer council electoral district.*

(11) *To employ an executive director and staff.*

(12) *To hold regular meetings, including meetings by telephone conference, at least once every four months on dates and at places as it may determine. Special meetings may be called by the president of the board or by at least one-quarter of the directors upon at least five days' notice. One-half of the directors plus one shall constitute a quorum. All meetings of the board of directors shall be open to the public. Complete minutes of the meetings shall be kept.*

(13) *To carry out all other duties and responsibilities imposed upon the consumer council and its board of directors and to exercise all powers necessary to accomplish the purposes of this article.*

(i) *The executive director hired by the board of directors shall be subject to the conflict of interest provisions in subdivision (f) of this section. The executive director may not be a candidate for the board of directors while serving as executive director. All candidates for executive director shall submit a statement of financial interest as defined by the board and the executive director shall be required to file the statement annually. The executive director shall be exempt from civil service and shall serve at the pleasure of the board of directors.*

(j) *The consumer council shall be funded by voluntary donations from its members and through other grants or donations, including intervenor compensation funds for which it might be eligible, except that no gift, loan, or other aid shall be accepted from any insurance company, health care industry company or member, director, employee or agent thereof.*

(k) A "Health Consumer Representation Fund," ("fund") shall hereby be created and shall be maintained as a trust fund by the Treasurer under Section 16429.1 of the Government Code. Membership fees and all other moneys received by the consumer council shall be deposited in the fund. Moneys in the fund shall be solely and continuously appropriated for expenditure by the board of directors to cover all actual and necessary expenses incurred in carrying out the provisions of this section. The Legislature shall have no right of appropriation of moneys in the fund.

(l) The consumer council shall prepare and furnish any state agency an enclosure soliciting voluntary membership contributions which shall be included, upon the request of the consumer council, in any mailing by that agency to at least 1,000 individuals.

(m) The consumer council shall do both of the following:

(1) Upon furnishing any state agency the enclosure permitted by this article, certify that the enclosure is neither false nor misleading. Upon request by the commissioner or any state agency the commissioner shall review the enclosure within 30 days, and may disapprove the enclosure if it is false or misleading.

(2) Reimburse the Health Security Fund or state agency for all reasonable incremental costs incurred as a result of compliance with this subdivision above the total postage and handling costs that otherwise would have been incurred without the enclosure, provided that an itemized accounting of the additional costs shall be provided first.

(n) The consumer council shall not sponsor, endorse, or otherwise support or oppose any political party or the candidacy of any individual for elective office.

(o) The consumer council may employ and direct attorneys on staff or as outside counsel in the defense or implementation of any of its powers. The consumer council may sue and be sued.

(p) Nothing in this article shall be construed to limit the right of any individual or group or class of individuals to initiate, intervene in, or otherwise participate in any proceeding before any administrative, judicial, or legislative bodies; nor to require any petition or notification to the consumer council as a condition precedent to such right; nor to relieve any agency, court, or other public body of any obligation, or affect its discretion to permit intervention or participation by a consumer or group of consumers in any proceeding or activity; nor to limit the right of any individual or individuals to obtain administrative or judicial review.

Article 6. Public Hearings

25090. The commissioner, regional consumer advocates, and consumer council shall jointly sponsor public hearings, no less than yearly in each system region, at which testimony shall be taken regarding all of the following:

(a) The commissioner's proposals for resource allocation, revenue generation, and other substantive policy changes for the coming year.

(b) The responsiveness of health facilities and clinics in a region to the health care needs of the local communities and populations they serve.

Article 7. Monitoring and Data Gathering

25095. (a) The commissioner shall guarantee that the data gathering and analysis necessary for the functioning of the health security system, including, but not limited to, review of access to care, quality, efficiency, and appropriate-

ness of care and services, professional provider participation, population-based health outcomes, and geographic distribution of health care resources, are carried out.

(b) The commissioner, in consultation with the advisory board, shall establish a standard set of indicators and methods to be used to assess the effectiveness of the health security system in implementing and fulfilling the intents and purposes of this act. This should include, but is not limited to, the current federal Center for Disease Control and Prevention's consensus list of population health outcome indicators, indicators of child health, maternal health, safety and cost of births, promptness and appropriateness of treatment for cancer and other diseases, surgical survival and success rates for common procedures, functional status in the elderly, communicable disease rates, monitoring of out-of-pocket expenditures, availability of services including geographic proximity and waiting times, the number and types of staff employed by professional providers, and the number of each category of professional provider giving hands-on care.

(c) As a condition of reimbursement, professional providers and health facilities and clinics shall be required to report to the commissioner a certain amount of clinical data to be used to assist in the health security system's health outcome monitoring effort and for the purposes of improving the effectiveness of practice by professional providers and health facilities and clinics.

(d) Clinical data provided by individual professional providers shall be confidential and used only for statistical and system-wide purposes, and for improving the quality of care.

(e) The commissioner shall make the nonconfidential data and analysis generated pursuant to this section available to the consumer council, state and local health departments, and the public in a timely manner.

(f) The commissioner shall establish uniform fiscal and medical reporting requirements for all health care professional providers. Health facilities and clinics and professional providers, including those in integrated delivery systems, shall provide information to the commissioner about financial relationships with other health facilities, clinics, and professional providers. The information shall be available for public disclosure in order to assure that health facilities, clinics, and professional providers do not collude to increase prices or evade cost controls.

(g) The commissioner shall make available to the consumer council all available information regarding administration and any other aspects of the health security system that they might request for the purpose of compiling reports and recommendations and other activities.

(h) None of the data disclosure activities of the health security system shall infringe on the confidentiality of health security system information on individuals and their medical records.

CHAPTER 6. FUNDING

Article 1. Funding of the Health Security System

25100. There is established a special fund in the State Treasury, to be called the Health Security Fund, for the purpose of implementing this act.

25101. (a) All moneys collected, received, and transferred pursuant to this act shall be transmitted to the State Treasury to be deposited to the credit of the Health Security Fund for the purpose of financing the health security system.

(b) The money in the Health Security Fund shall not be considered state revenues or state money or proceeds of taxes for purposes of Sections 3 and 8 of Article XVI of the California Constitution.

25102. (a) *If, for each of two consecutive years, the balance remaining in the Health Security Fund at the end of the fiscal year is greater than 1% of the system budget, and the Reserve Account is fully funded, the commissioner shall request the Legislature to reduce the tax rates under this chapter.*

(b) *Subdivision (a) shall apply only after full phase-in of benefits as set forth in Section 25305.*

Article 2. Sources of Funding

25105. Federal contributions to the Health Security Fund.

The commissioner shall seek all necessary waivers, exemptions, agreements, or legislation so that all current federal payments for health care shall be paid directly to the health security system, which shall then assume responsibility for all benefits and services previously paid for by the federal government with those funds. In obtaining the waivers, exemptions, agreements, or legislation, the commissioner shall seek from the federal government a contribution for health care services in California that shall not decrease in relation to the contribution to other states as a result of the waivers, exemptions, agreements, or legislation.

25108. State contributions to the Health Security Fund.

(a) The commissioner shall seek all necessary waivers, exemptions, agreements, or legislation so that all current state payments for health care shall be paid directly to the health security system, which shall then assume responsibility for all benefits and services previously paid for by state government with those funds. In obtaining the waivers, exemptions, agreements, or legislation, the commissioner shall seek from the Legislature a contribution for health care services that shall not decrease in relation to state government expenditures for health care services in the year of passage of the act, corrected for change in state gross domestic product and population.

(b) (1) It is the intent of the people that the Legislature cooperate with the commissioner in transferring funding for state programs for health services to the health security system.

(2) Funds transferred from the Cigarette and Tobacco Products Surtax Fund shall be used only to the extent authorized by Article 2 (commencing with Section 30121) of Chapter 2 of Part 13 of Division 2 of the Revenue and Taxation Code.

25110. County and local contributions to the Health Security Fund.

The commissioner shall seek all necessary waivers, exemptions, agreements, or legislation so that all current county or other local agency payments for health care, including employee health benefits and health benefits for retired employees, shall be paid directly to the health security system, which shall then assume responsibility for all benefits and services previously paid for by counties or other local agencies or local governments with those funds. In obtaining the waivers, exemptions, agreements, or legislation, the commissioner shall seek contributions for health care services that shall not decrease in relation to expenditures for health care services in the year of passage of the act, corrected for change in state gross domestic product and population.

25112. The health security system's responsibility for providing care shall be secondary to existing federal, state, or local governmental programs for health care services to the extent that funding for those programs is not transferred to the Health Security Fund or that the transfer is delayed beyond the date on which initial benefits are provided under the health security system.

25113. In order to diminish the administrative burden of maintaining eligibility records for programs transferred to the health security system, the commissioner shall strive to reach an agreement with federal, state, and local

governments in which their contributions to the Health Security Fund shall be fixed to the rate of change of the state gross domestic product and population.

25115. Employer contributions to funding the health security system.

All employers shall pay a health security payroll tax commencing January 1 of the second year following passage of this act, as provided in Section 33001 of the Revenue and Taxation Code.

25120. Individual contributions to funding the health security system.

All individuals shall pay a Health Security Fund income tax commencing January 1 of the second year following passage of this act, as provided in Sections 33004 through 33007, inclusive, of the Revenue and Taxation Code.

25126. Medicare Part B.

(a) (1) If and to the extent the Legislature transfers Medi-Cal funding, the commissioner shall pay all premiums, deductibles, and coinsurance for qualified Medicare beneficiaries who are receiving SSI benefits.

(2) In the event and to the extent that the commissioner obtains authorization to fold-in Medicare funds in California, this subdivision shall lapse and be replaced by subdivision (b).

(b) Medicare Part B payments which previously were made by individuals or the commissioner shall, commencing in the second year following passage of this act, be paid by the health security system for all individuals eligible for both the health security system and the Medicare program, provided arrangements have been made to pay Medicare revenues into the Health Security Fund, pursuant to Section 25105.

(c) Until appropriate waivers have been obtained, the commissioner shall make the Part B Medicare premiums for all persons who would have been eligible to have Medi-Cal pay their Medicare Part B premium prior to the effective date of this act.

25130. Cigarette and Tobacco Products Surtax.

All distributors of cigarettes and tobacco products shall pay a Health Security Fund tobacco tax commencing January 1 of the second year following passage of this act, as provided in Section 30123.5 of the Revenue and Taxation Code.

25134. The Legislature may provide for the collection and administration of the taxes imposed by this act consistent with the collection of other similar taxes.

25135. Nothing in this act shall be construed to affect or diminish the benefits that an individual may have under a collective bargaining agreement.

Article 3. Federal Preemption

25136. Exempt employers.

(a) (1) An employer is exempt from the payroll tax requirements of Section 25115 of this code and Sections 33001 to 33003, inclusive, of the Revenue and Taxation Code if it has established an employee benefit plan subject to federal law which preempts the funding provisions of this chapter.

(2) Notwithstanding paragraph (1), an exempt employer shall comply with the reporting requirements of subdivision (b) of Section 33001 of the Revenue and Taxation Code, to the extent permitted by federal law.

(b) An employer is exempt from any other provisions of this act to the extent compliance with the provision would be preempted by federal law. It is the intent of the people that the provisions of this act be construed to be consistent with federal law.

25137. Waiver.

(a) The commissioner shall pursue all reasonable means to secure repeal or waiver of any provision of federal law that preempts any provision of this act.

(b) *In the event repeal or waiver cannot be secured, the commissioner shall exercise his or her powers to promulgate rules and regulations, or seek conforming state legislation, that are consistent with federal law in an effort to best fulfill the purposes of this act.*

25138. *Employees covered by health plan subject to preemption.*

(a) *To the extent permitted by federal law, an employee entitled to health or related benefits under a contract or plan which, under federal law, preempts provisions of this act, shall first seek benefits under that contract or plan before receiving benefits under this act.*

(1) *No benefits shall be denied under this act unless the employee has failed to take reasonable steps to secure like benefits from the contract or plan, if those benefits are available.*

(2) *Nothing in this section shall preclude an employee from receiving benefits under this act that are superior to benefits available to the employee under the contract or plan.*

(3) *Nothing in this act is intended, nor shall this act be construed, to discourage recourse to contracts or plans that are protected by federal law.*

(b) *Any physician or health care provider, including a hospital, may render services pursuant to a contract or plan subject to federal preemption without regard to the limitations on professional provider fees contained in Section 25180.*

(1) *To the extent permitted by federal law, the provider shall first seek payment from the contract or plan, before submitting bills to the health security system.*

(2) *Any fee charged by the provider in excess of the rate set or negotiated by the commissioner shall not serve to increase the amount of funding available to the provider from the health security system in the current or subsequent years.*

Article 4. Subrogation

25139. (a) *It is the intent of the people to establish a single public-payer for all health care in the State of California. However, until such time as the role of all other payers for health care have been terminated, it is the intent of the people to recover health care costs from collateral sources whenever medical services are provided to an individual that are or may be covered services under a policy of insurance, health benefits plan, or other collateral source available to that individual, or for which the individual has a right of action for compensation to the extent permitted by law.*

(b) *As used in this article, the term collateral source includes all of the following:*

(1) *Insurance companies and carriers, as defined in Section 14124.70, including the medical components of automobile, homeowners, and other forms of insurance.*

(2) *Health care and pension plans.*

(3) *Employers.*

(4) *Employee benefits contracts.*

(5) *Government benefits programs including, but not limited to, workers' compensation.*

(6) *A judgment for damages for personal injury.*

(7) *Any third party who is or may be liable to the individual for health care services or costs.*

(c) *The term collateral source does not include either of the following:*

(1) *A contract or plan subject to federal preemption as described in Article 3 (commencing with Section 25136) of this chapter.*

(2) Any governmental unit, agency or service, to the extent that subrogation is prohibited by law. An entity described in subdivision (b) is not excluded from the obligations imposed by this article by virtue of a contract or relationship with a governmental unit, agency, or service.

(d) It is the further intent of the people that the commissioner and the Legislature make every attempt to negotiate waivers, seek federal legislation or make other arrangements to incorporate collateral sources in California into the health security system.

25140. Whenever an individual receives health care services under the health security system for which he or she is entitled to coverage, reimbursement, indemnity, or other compensation from a collateral source, he or she shall notify the health care provider and the commissioner and provide information identifying the collateral source, the nature and extent of coverage or entitlement, and other relevant information as requested by the commissioner.

25141. Use of an eligibility card for, or receipt of, health care services under this act for which an individual is entitled to coverage, reimbursement, indemnity, or other compensation from a collateral source, shall be deemed an assignment by the individual to the health security system of his or her rights from or against the collateral source, to the extent of services provided under the act. Any provision or agreement between the individual and the collateral source prohibiting assignment of rights shall not be applicable to an assignment under this section. Except as specified in this article, nothing contained in this act affects any person's right to benefits, money, or right of action from or against, a collateral source.

25142. (a) The health security system shall seek reimbursement from the collateral source for services provided to the individual, and may institute appropriate action, including suit, to recover same. Upon demand, the collateral source shall pay to the Health Security Fund such sums as it would have paid or expended on behalf of the individual for the health care services provided by the health security system.

(b) In addition to any other right to recovery provided in this article, the commissioner shall have the same right to recover the reasonable value of benefits from a collateral source as provided to the Director of Health Services by Article 3.5 (commencing with Section 14124.70) of Chapter 7 of Part 3 of Division 9, in the manner so provided.

25143. If a collateral source is exempt from subrogation or the obligation to reimburse the health security system as provided in Sections 25136 and 25139, the commissioner may require that an individual who is entitled to medical services from the source first seek those services from that source.

25144. To the extent permitted by federal law, contractual retiree health benefits provided by employers shall be subject to the same subrogation as other contracts, allowing the health security system to recover the cost of services provided to individuals covered by the retiree benefits, unless and until arrangements are made to transfer the revenues of the benefits directly to the health security system.

25145. Upon integration of workers' compensation health benefits into the health security system, the cost of workplace related medical claims that are found to result from unsafe workplace conditions or negligence on the part of the employer shall be borne by the employer rather than the health security system.

Article 5. Other Considerations

25147. (a) Revenue to operate the health security system shall be generated in a manner intended to coincide in the aggregate with financial responsibility for health care expenditures in the base year, and not exceed the limits described in Article 1 (commencing with Section 25150) of Chapter 7.

(b) In the event of unanticipated expenditures in excess of the Reserve Account, or if cost control mechanisms indicated under Article 8 (commencing with Section 25225) of Chapter 7, are unable to lower expenditures without endangering the health of Californians, the commissioner may request the Legislature to increase health security system funding either by increasing tax rates on the sources described in this chapter or from other revenue sources.

(c) In the event that federal health care reform legislation is passed prior to or subsequent to passage of this act, the commissioner shall take all steps necessary to ensure that all funds available to California for benefits and services covered under the federal health security system are paid to the Health Security Fund.

(d) In the event of federal health care reform legislation including payroll, individual income or cigarette and tobacco products taxation, and to the extent that agreements are reached to transfer those revenues into the Health Security Fund, the Legislature may enact a proportional decrease in the payroll, individual, and cigarette and tobacco taxes established by this act pursuant to Sections 30123.5 and 30001 to 30007, inclusive, of the Revenue and Taxation Code in order that revenues to the Health Security Fund be maintained within the limits established by subdivision (a) of Section 25102 and subdivision (a) of Section 25150.

25148. (a) Default, underpayment, or late payment of any tax or other obligation imposed by this act shall result in the remedies and penalties provided by law except as provided in this section.

(b) Eligibility for benefits under Chapter 4 (commencing with Section 25010), except for those benefits provided by Article 4 (commencing with Section 25025) of Chapter 4, relating to long-term care, shall not be impaired by any default, underpayment, or late payment of any tax or other obligation imposed by this chapter.

(c) (1) Eligibility for benefits provided by Article 4 (commencing with Section 25025) of Chapter 4, relating to long-term care, shall not be impaired by any default, underpayment, or late payment of any tax or other obligation imposed on employers by Section 25115.

(2) Eligibility for benefits provided by Article 4 (commencing with Section 25025) of Chapter 4, relating to long-term care, may not be established pursuant to paragraph (2) of subdivision (b) of Section 25006 except upon payment of the taxes or other contributions stated in that section.

25149. Actions taken by the commissioner, including, but not limited to, the negotiating or setting of rates, fees, or prices, and the promulgation of any and all regulations, shall be completely exempt from any review by the Office of Administrative Law, except for subdivisions (a), (c), and (d), and paragraphs (1) and (2) of subdivision (b) of Section 11344, and Sections 11344.1, 11344.2, 11344.3, and 11344.6 of the Government Code, addressing the publication of regulations. This exemption from Office of Administrative Law review includes, but is not limited to, exemptions from Sections 11340, 11340.1, 11340.15, 11342, and 11346.1 as that statute provides for action by the Office of Administrative Law, subdivision (b) of Section 11345.53, subdivision (d) of Section 11346.2, and

Sections 11346.7, 11349, 11349.1, 11349.3, 11349.4, 11349.5, 11349.10, and 11349.11 of the Government Code.

CHAPTER 7. APPROPRIATIONS, BUDGETING, AND EXPENDITURES

Article 1. Expenditure Limit

25150. (a) It is the intent of the people that expenditures under this act not exceed in any year expenditures for the prior year adjusted for changes in the state's gross domestic product and population.

(b) (1) If the Reserve Account is not fully funded, mandatory cost control measures as described in Section 25240 shall be triggered when the cumulative expenditures of the health security system, on an annualized basis, exceed 95% of the health security system budget exclusive of the Reserve Account, except during the last month of the fiscal year.

(2) If the Reserve Account is fully funded, and during the last month of the fiscal year, mandatory cost control measures as described in Section 25240 shall be triggered only when cumulative expenditures of the health security system on an annualized basis exceed 100% of the health security system budget exclusive of the Reserve Account.

Article 2. Appropriations

25151. (a) It is the intent of the people that all moneys in the Health Security Fund be appropriated to the health security system to support the implementation of this act.

(b) On July 1 of any year, all moneys in the Reserve Account are appropriated to the commissioner for the purpose of implementing the health security system if a Budget Act for the fiscal year beginning on that July 1 has not been enacted by that date. The authority to spend funds from the Reserve Account for that fiscal year, pursuant to this subdivision, shall be terminated upon enactment of the Budget Act, unless the Budget Act continues that authority.

(c) The Legislature may appropriate additional money from the General Fund or from other sources to support the implementation of this act.

Article 3. Health Security System Budgets

25155. Preparation of Budgets.

(a) The commissioner shall prepare an annual budget in the manner prescribed by law. The budget shall include all of the following:

(1) A system budget which includes all expenditures for the health security system.

(2) Regional budgets, which include all expenditures for the health security system within each system region.

(3) Global budgets for each of the two principal mechanisms of professional provider reimbursement (fee-for-service and integrated health delivery system), and for individual health facilities and their associated clinics. The global budgets shall be part of the regional budget for each system region.

(4) A capital expenditure budget, as described in Section 25215.

(b) The commissioner shall prepare the system budget for the health security system to be submitted to the Legislature as part of the Governor's Budget.

25156. System Budget.

(a) The cost of the health security system, including the cost of all services and benefits provided, administration, data gathering and other activities, and revenues deposited within the named accounts pursuant to Section 25250, shall comprise the system budget.

(b) Moneys in the Reserve Account shall not be considered as available revenues for purposes of preparing the system budget.

25157. *Regional Budgets.*

(a) The commissioner, in consultation with the regional administrator, shall propose a regional budget for each system region.

(b) The cost of all functions of the health security system within the system region, including the cost of all services and other benefits provided, administration, data gathering and other activities, and allocations to the system region from the named accounts, shall comprise the regional budget.

(c) Funds available for system regions shall be equally allocated among the system regions, on a per capita basis, adjusted for variations in population, demographics, incidence of disease, quality and availability of providers, reimbursement rates, and any other factor relevant to a particular system region, as determined by the commissioner.

25158. *Global Budgets.*

(a) The commissioner, in consultation with the regional administrator, shall prepare a regional budget for each system region. That budget shall include allocations for each of the following:

(1) *Fee-for-service providers.*

(2) *Capitated providers.*

(3) *Health facilities and associated clinics that are not part of a capitated provider network.*

(b) The allocations in subdivision (a) shall consider the relative usage of fee-for-service providers, capitated providers, and health facilities and associated clinics that are not part of a capitated provider network within the system region. The global budgets shall be adjusted from year to year to reflect changes in the utilization of services, changes in copayment for covered services, and the addition or exclusion of covered services made by the commissioner upon recommendation of the advisory board.

(c) The global budget for fee-for-service providers in each system region shall be further divided among categories of licensed professional providers, thus establishing a total annual budget for each category within each region. Each of these category budgets shall be sufficient to cover all included services anticipated to be required by eligible individuals choosing fee-for-service within the region, at the rates negotiated or set by the commissioner, except as necessary for cost containment purposes under Article 8 (commencing with Section 25225) of Chapter 7.

(d) The global budget for capitated providers shall be sufficient to cover all eligible individuals choosing an integrated health delivery system within the system region, at the capitation rates negotiated or set by the commissioner, except as necessary for cost containment purposes under Article 8 (commencing with Section 25225) of Chapter 7.

(e) Each health facility and clinic in a system region, apart from those that are part of capitated integrated delivery systems, shall have a facility budget that encompasses all operating expenses for the health facility or clinic. In establishing a facility budget, the commissioner shall develop and utilize separate formulae that reflect the differences in cost of primary, secondary, and tertiary care services and health care services provided by academic medical centers.

25162. In preparing the budgets under this article, the commissioner shall consider anticipated increased expenditures and savings including, but not limited to, all of the following:

(a) Projected increases in expenditures due to improved access for underserved populations and improved reimbursement for primary care.

(b) Projected administrative savings under the single-payer mechanism.

(c) Projected savings in prescription drug expenditures under competitive bidding and a single buyer.

(d) Projected savings in health facility and clinic costs due to decreased acuity of hospitalization in some cases, and appropriate availability of long-term care facilities in other cases.

(e) Projected savings due to provision of primary care rather than emergency room treatment.

(f) Projected savings from termination of reimbursement of procedures of no documented benefit or for which appropriate indications are not present.

(g) Projected savings from diminished reimbursement for procedures and services of marginal benefit, as determined by the advisory board.

(h) Projected savings from decreased reimbursement of specialty care relative to primary care.

(i) Projected savings due to regionalization of high-technology and experimental services.

25165. In preparing the system budget the commissioner shall also consider, in addition to changes in the state gross domestic product and population from year to year, anticipated additional expenditures due to medically appropriate increases in utilization due to changes in disease incidence and prevalence among the population, and technological advances allowing better diagnosis and treatment of disease.

25175. (a) Commencing with the second budget year, the administrative costs of the health security system incurred by the commissioner shall be 4 percent or less of the total funds appropriated for the health security system. If administrative costs exceed this target, the commissioner shall report to the Legislature the reasons for excess administrative costs.

(b) That amount of the system budget remaining after funds are allocated for administration, data gathering, and the named accounts pursuant to Section 25250, shall be budgeted for the system regions, in the manner described commencing with Section 25157, to provide benefits pursuant to Chapter 4 (commencing with Section 25010).

Article 4. Provider Reimbursement

25180. (a) Professional providers registered for reimbursement with the system shall, with respect to all covered services provided to an eligible individual under Chapter 4 (commencing with Section 25010), do all of the following:

(1) Submit all bills to the regional administrator pursuant to procedures established by the commissioner.

(2) Not charge the system an amount in excess of rates negotiated or set by the commissioner.

(3) Not charge the patient any additional amount or copayment except as specified under Sections 25020, 25030, 25040, and 25305.

(b) Professional providers registered for reimbursement under the system, who have submitted bills for covered services in accordance with the guidelines established by the commissioner, shall be paid promptly. Interest shall accrue on all bills 45 days past due at the rate of 1% per month.

25185. (a) Health facilities and clinics registered with the health security system may choose to be reimbursed on the basis of either a facility budget for all covered services rendered under the health security system based on standards

and criteria pursuant to Section 25158, or as a capitated integrated professional provider network pursuant to subdivision (c) of Section 25190.

(b) The budget specified in paragraph (a) shall be negotiated with each participating health facility or clinic on an annual basis, with adjustments during the year made for epidemics and other unforeseen catastrophic changes in the general health status of a patient population, at the discretion of the commissioner.

(c) Surplus generated from the operating section of a health facility or clinic's facility budget shall not be used for the payment or reimbursement of any capital cost, except in accordance with the provisions of Sections 25213 and 25215.

(d) Any surplus a health facility and clinic may be able to generate through increased efficiency of operation may be used to develop new and innovative programs, as approved by the commissioner, or shall be returned to the health security system.

(e) Health facilities and clinics shall inform the commissioner as soon as evidence suggests that operating expenses will exceed the facility budget.

(f) (1) Any real or projected operating deficit as a result of a health facility or clinic exceeding the facility budget shall be investigated by the commissioner. If it is determined that the deficit reflects appropriate increased utilization of services, the facility budget for the health facility or clinic shall be adjusted and appropriately revised in the current or subsequent year, or both, to cover the anticipated shortfall.

(2) To the extent that it is determined that the operating deficit was not justifiable under the policies and terms of the health security system, adjustments in the facility budget shall not be made. Instead, recommendations for improved efficiency or other changes necessary to bring costs within the health facility or clinic's facility budget, or other changes, may be made by the regional administrator. Implementation of these recommendations may be a precondition for funding in the next health security system year.

(g) (1) Every health facility or clinic facility budget shall allow for care of individuals who are not enrolled in the health security system or are not eligible for services, at the same rates as for enrolled individuals, as necessary to provide emergency care and to protect the health and safety of the population as a whole.

(2) Any health facility or clinic that fails to provide full access to all individuals pursuant to paragraph (1) shall be investigated by the commissioner and may be barred from receiving health security system funds in subsequent years, at the discretion of the commissioner, subject to the review procedures in Section 25200.

25190. (a) Physicians, advanced practice nurses, and other independent professional providers may choose from a variety of payment mechanisms for reimbursement. These payment methods may include, but need not be restricted to, fee-for-service, capitation, or a salary from a globally budgeted health facility or clinic for a defined level of service. Nothing in this act shall be construed to permit discrimination in eligibility for reimbursement against a class of professional providers who are providing services within the scope of practice permitted by law.

(b) The commissioner may require that all care under fee-for-service payment be coordinated by a designated primary care provider, and that all individuals select a primary care provider. The primary care provider may be an individual professional provider or a group of professional providers. Under these arrange-

ments, care provided by specialists without referral from a designated primary provider shall be reimbursed at the primary care rate rather than that for specialty care.

(c) (1) An individual professional provider or a group of professional providers may elect to be paid a prospective payment on a capitated basis for all individuals enrolling for care from that professional provider or group of professional providers. Providers accepting payment on a capitated basis cannot also be paid on a fee-for-service basis. All patients receiving care from professional providers participating under prepaid arrangement must do so on a capitated basis. A formal enrollment process shall be adopted whereby individuals voluntarily designate the individual professional provider or group of professional providers for prepaid care. Individuals enrolling under prepaid arrangements shall receive their care from the designated prepaid practice or professional providers authorized by the prepaid practice.

(2) The fee level for capitated reimbursement shall be negotiated annually by professional provider organizations and the commissioner, or set by the commissioner, and shall apply uniformly to all professional providers in the system region. The capitated fee level shall be adjusted based on health risk of enrollees, scope of ambulatory services provided by the professional provider, and any other relevant factors. At a minimum, the scope of services covered by the capitated payment shall include all primary care services. Capitated contracts may include stop-loss measures for catastrophic expenses and any other measures necessary to maintain fairness and fiscal stability.

(d) Compensation for professional providers who provide services as employees of, or under contract to, health facilities or clinics, shall be covered under the facility budget of those health facilities or clinics.

25195. (a) The commissioner shall recognize professional associations to represent licensed professional providers in each system region in negotiations with the commissioner on reimbursement and other professional issues.

(b) It is the intent of the people that the Legislature establish procedures allowing each category of professional provider in a system region to choose, by majority vote of that category of professional provider, the organization or association in each region that shall be their representative in all negotiations with the commissioner.

(c) All professional provider organizations may participate in annual negotiations. All professional providers within a category shall be bound by the results of the negotiations between the commissioner and the organization representing that category of professional provider.

(d) In the event that negotiations with professional providers and others are not concluded in a timely manner, the commissioner may set rates, fees, and prices for services reimbursed by the health security system.

25196. (a) Notwithstanding Section 25195, the commissioner shall establish a limit on the aggregate annual payments to an individual professional provider, or discounts on reimbursements above a specified amount of aggregate billing, as negotiated with the professional associations.

(b) An individual professional provider whose billing volume or distribution suggests the possibility of impropriety may be subject to investigation by the commissioner through either the regional administrator or the regional consumer advocate and may be subject to exclusion or other penalties pursuant to Chapter 9 (commencing with Section 25282).

25200. (a) (1) A health facility or clinic and a group of physicians and other professional providers may organize as an integrated delivery system providing the full spectrum of health care services to a defined population of enrollees. Such integrated systems may be paid by the health security system on a capitated basis to provide the full spectrum of benefits covered by the health security system. Nothing in this act shall prevent an integrated delivery system from offering benefits beyond those set forth in Chapter 4 (commencing with Section 25010). The fee level for capitated reimbursement shall be negotiated on a regional basis by professional provider organizations and the commissioner, based on health risk of enrollees, and any other relevant factors, and shall apply uniformly to all professional providers in the region.

(2) Health facilities and clinics participating under this capitated arrangement as part of an integrated delivery system are exempt from negotiating separate operating budgets with the health security system. However, they are not exempt from regulation of capital investment as specified in Article 5 (commencing with Section 25213).

(b) (1) Health facilities, clinics, and professional providers organizing as integrated delivery systems that are for-profit shall have their profits restricted to a fair rate of return to be negotiated with the commissioner and are subject to the same restrictions on capital expansion that apply to all other health facilities, clinics and professional providers.

(2) Health facilities, clinics, and providers organizing as an integrated delivery system that are for-profit shall be capitated or facility budgeted by the same criteria and at the same rates as non-profit entities.

(c) If any professional provider involved in an integrated system has an existing collective bargaining agreement or agreements, those collective bargaining agreements may be extended to the employees of all of the professional providers in the integrated system, unless otherwise prohibited by law.

(d) Nothing in this act shall prevent the commissioner, after public hearings, from termination of the participation of a health facility or clinic in the health security system, should credible evidence lead the commissioner to conclude either of the following:

(1) That the health facility or clinic is unable to meet minimum requirements relating to the number and type of professional providers on the staff, the type of equipment available to the facility or the range of specialty services provided by the facility, or other standards and criteria.

(2) That the health facility or clinic provides care significantly below the standard for facilities in the region.

(e) The commissioner shall develop different standards and criteria pursuant to subdivision (d) for urban and rural health facilities. Under the circumstances of subdivision (d), the commissioner may authorize conversion of the facilities to meet health care needs in such areas as long-term care.

25205. (a) The commissioner shall provide clear and well-publicized procedures whereby individuals eligible for benefits under the health security system may voluntarily enroll under capitated payment arrangements with a specified professional provider, group of professional providers, or integrated delivery system. Individuals shall be entitled to disenroll from such capitated practices as specified in subdivision (b). Enrollment and disenrollment shall be administered by the health security system and not delegated to professional providers or professional provider organizations for the purposes of processing or otherwise administering enrollment and disenrollment procedures.

(b) Every six months, individuals enrolled in a capitated practice shall be entitled to an open enrollment period of not less than two weeks, pursuant to regulations promulgated by the commissioner.

(c) During the open enrollment period, an individual may enroll in another capitated practice or choose a primary care provider in the fee-for-service sector.

(d) An individual who has selected a primary care provider in the fee-for-service sector may choose to switch to enrollment in a capitated practice at any time.

(e) Any professional provider accepting payment from the health security system on a prepaid basis shall allow any eligible individual to enroll in the order of application, up to a reasonable limit determined by the capacity of the capitated practice to provide services.

(f) Providers accepting payment from the health security system on a prepaid basis, as a condition of approval to participate in the provision of benefits under this division, shall demonstrate they will provide, or arrange and pay for, all of the benefits required for the capitation payment negotiated or set by the commissioner.

(g) Nothing in this division shall prohibit an integrated delivery system or other capitated practice from offering additional benefits beyond those set forth in Chapter 4 (commencing with Section 25010). The additional benefits shall be clearly set forth in disclosure and practice description materials provided to individuals eligible for services under this division.

25210. (a) The commissioner shall incorporate into the reimbursement policies specific financial incentives for professional providers to perform community outreach and preventive services. As a condition of receiving the incentives, professional providers shall coordinate their efforts with those of the State Department of Health Services, local health departments, and other agencies funded from the Public Health and Prevention Account, in a manner specified by the commissioner.

(b) (1) The commissioner shall reimburse collaborative practice costs to meet the objectives of community-oriented primary care including the costs of visiting health workers and public health nurses working with primary care providers, including physicians, advanced degree nurses, and physician assistants.

(2) The commissioner may institute reimbursement mechanisms which have as their purpose improving the availability of health care services to underserved areas and populations.

(c) The commissioner shall consider the special needs and requirements of rural hospitals in California that are financially distressed and in danger of closure. The commissioner may provide technical assistance with respect to the reimbursement and other requirements and procedures of the health security system to financially distressed rural hospitals, when appropriate, in order to preserve the availability of health care services.

Article 5. Capital Expenditures

25213. (a) (1) The purpose of this article is to assure that health care facilities that are reimbursed by the health security system do not engage in unnecessary capital expenditures and thereby contribute to health care cost inflation.

(2) Commencing on the operative date of this article, no licensed health care facility or any individual acting on behalf of a licensed health care facility shall incur a capital expenditure as defined herein, and no health facility can receive Health Facility Construction Loans, pursuant to Chapter 4 (commencing with

Section 436) of Part 1 of Division 1 of the Health and Safety Code without obtaining the prior approval of the commissioner.

(3) The commissioner shall exclude from any reimbursement under this division amounts for capital expenditures, operating expenses for capital improvements, and the cost of services provided by those capital improvements, made or incurred by a health facility, clinic, or provider after the date of passage of this act, unless that capital expenditure was approved by the commissioner.

(4) As used herein the term "capital expenditure" is an expenditure that, under generally accepted accounting principles, is not properly chargeable as an expense of operation and maintenance and that does any of the following:

(A) Exceeds five hundred thousand dollars (\$500,000).

(B) Changes the bed capacity of the facility with respect to which the expenditure is made.

(C) Adds a new service or license category.

(5) For purposes of this section, the cost of studies, surveys, design plans and working drawings, specifications, and other activities essential to the acquisition, improvement, expansion, or replacement of the plant and equipment with respect to which the expenditures are made shall be included in determining whether the expenditure exceeds the dollar amount specified in this section.

(6) When a health care facility or individual acting on behalf of a health care facility obtains by lease or comparable arrangement any facility or part thereof or any equipment for a facility, the market value of which would have been a capital expenditure, the lease or arrangement shall be considered a capital expenditure for purposes of this section.

(b) The commissioner shall only approve a capital expenditure if it is in conformity with standards, criteria, and plans developed by the commissioner to accomplish one or more of the following:

(1) Fill unmet needs.

(2) Eliminate duplicative, inappropriate, or unnecessary services by regionalizing tertiary care services in appropriate facilities.

(3) Encourage the expansion of those facilities with superior records of consumer satisfaction and operating efficiency.

(4) Convert to non-acute care uses general acute care hospitals of less than 150 licensed beds within Standard Metropolitan Statistical Areas.

(5) Assure that health care facilities are accessible to all parts of the community including the disabled and populations with special medical needs.

(6) Promote joint, cooperative, or shared health care resources.

(7) Assure the development of new technologies in appropriate facilities.

(8) Meet the special needs of rural hospitals.

(c) (1) The commissioner shall establish procedures for the review of capital expenditures.

(2) The procedures may provide that all capital expenditures in a particular region or for one or more particular purposes submitted over a period of time of up to one year, may be reviewed together at the same hearing.

(d) Notwithstanding the provisions of subdivision (b), the commissioner may approve capital expenditures for either of the following reasons:

(1) If necessary to meet parking, seismic safety, fire safety, physical accessibility for the disabled, energy or water conservation, or other public health and safety requirements of federal, state, or local government.

(2) If necessary to replace physical plant and equipment damaged or destroyed by fire, earthquake, or other natural disaster.

(e) Notwithstanding any other provision of law, the commissioner may approve the temporary or permanent conversion of general acute care beds to skilled nursing beds or the addition of skilled nursing beds to any general acute care hospital.

Article 6. Capital Allocation

25215. (a) Funds appropriated for capital expenditures pursuant to the capital expenditures budget shall be placed in the Capital Improvements Account, pursuant to this section and Section 25155.

(b) Once a capital expenditure request has been approved by the commissioner, it may be funded either from the Capital Improvements Account or from other sources. All capital improvements made from the Capital Improvements Account shall remain the property of the State of California under the health security system.

(c) No later than January 1 of the second year following passage of this act, the commissioner shall report on the capital needs of health facilities and clinics in each system region. In addition to any other matter deemed relevant by the commissioner, the report shall identify the capital needs of all of the following:

(1) County health facilities and clinics.

(2) Underserved geographic areas with per capita investment in health facilities and clinics substantially different from the state average.

(3) Geographic areas where the distance to health facilities and clinics imposes a barrier to care.

Article 7. Formulary

25216. (a) In order to achieve the lowest possible cost for prescription drugs the commissioner shall do all of the following:

(1) Establish a health security system formulary composed of the best-priced prescription drugs of proven efficacy for a particular condition. The formulary may include in whole or in part the List of Contract Drugs established pursuant to Sections 14105.3 through 14105.35, inclusive, and Section 14105.405 of the Welfare and Institutions Code. The commissioner shall have the authority to enter into purchase contracts for prescription drugs pursuant to these sections.

(2) Use his or her bidding power to negotiate directly from the manufacturer the lowest possible prices for drugs provided under the health security system.

(3) Establish standards and criteria as needed to ensure that only those prescription drugs on the formulary shall be reimbursed under the health security system.

(4) Establish standards and criteria as needed to ensure that formulary drugs are substituted for prescriptions written for comparable non-formulary drugs, with the approval of the prescribing provider.

(5) Establish standards and criteria by which certain non-prescription, over-the-counter, investigational, and other exceptional drugs, and nutritional supplements, that are of particular benefit for the treatment of specific medical conditions, or that are cost-effective compared to prescription drugs, may be reimbursed when prescribed by a licensed provider acting within the scope of his or her practice.

(6) Use his or her express or implied powers to reduce the direct cost of prescription drugs.

(7) Encourage the rational use of prescription drugs through educational, outreach, and other programs.

(b) In establishing the formulary and standards and criteria for purposes of this section, the commissioner shall seek the advice of the advisory board.

(c) Formulary drugs, reimbursable under the health security system, shall be substituted for prescriptions written for comparable non-formulary drugs, with the approval of the prescribing provider, pursuant to standards and criteria.

Article 8. Cost Control Measures

25225. The commissioner shall not carry out any cost control measure that limits access to care that is needed on an emergent or urgent basis, or that is medically appropriate for treatment of a patient's medical condition.

25226. (a) In order to control costs the commissioner shall strive at all times to do all of the following:

(1) Eliminate administrative and other costs that do not contribute to health care.

(2) Identify and eliminate wasteful and unnecessary care that is of no benefit to patients receiving that care.

(3) Identify and foster those measures that prevent disease and maintain health.

(b) (1) In the event that the measures taken pursuant to subdivision (a) are insufficient to maintain the fiscal integrity of the health security system, the commissioner shall study the contribution of inappropriately provided services to escalating costs. The commissioner shall adjust the next year's budgets, pursuant to Sections 25155 and 25162, to correct for the degree of overutilization identified for particular services or particular categories of licensed providers, under particular modes of reimbursement.

(2) Restrictions in budgets under paragraph (1) may be employed only to the extent necessary to correct for the proportion of cost increase in excess of that resulting from appropriate utilization, based on incidence of illness in the population, that is due to the particular services, category of provider, or mode of reimbursement being restricted, as determined by the commissioner.

25240. (a) In the event that cost control is required by subdivision (b) of Section 25150, the commissioner may request that the Legislature increase appropriations for the health security system. Any request shall be accompanied by a report on the causes of the increase in expenditures beyond the increase in gross domestic product, adjusted for population, and measures taken to control costs pursuant to Section 25226.

(b) In the event the actions taken pursuant to subdivision (a) and Section 25226 are insufficient to contain costs or increase revenues, the commissioner may, as necessary, defer funding of the Reserve Account and reduce funding of the named accounts for a period not to exceed one year, and establish restrictions or copayments on elective services.

(c) Restrictions on, and copayments for, elective services, as necessary to balance the system budget, shall be applied by the commissioner in order of increasing efficacy, as determined by the advisory board, in order that those elective services that are clearly beneficial for treatment of a patient's condition be the last services to be restricted or to have a copayment applied.

(d) Measures taken under subdivision (b) and Section 25226 shall not be used to restrict coverage of a specific diagnosis, unless the commissioner finds both of the following:

(1) That the diagnosis or the available treatments are often inappropriate.

(2) That a means of distinguishing appropriate from inappropriate utilization

of services for the diagnosis is established based on recommendations of the advisory board.

Article 9. Named Accounts in the Health Security Fund

25250. *There are in the Health Security Fund a number of named accounts. The commissioner shall propose budgets that fully fund these accounts as provided for in this act except under the circumstances described in Section 25240:*

- (a) The Public Health and Prevention Account.*
- (b) The Innovations Account.*
- (c) The Capital Improvements Account.*
- (d) The Reserve Account.*
- (e) The Health Worker Training Account.*

25251. *(a) There is in the Health Security Fund the Public Health and Prevention Account. Funds in the Public Health and Prevention Account shall be budgeted for programs designed to prevent disease, including, but not limited to, community-based disease prevention and health promotion programs, training programs, and research as described in Chapter 8 (commencing with Section 25260).*

(b) The programs funded by the Public Health and Prevention Account shall give priority to meeting the population-based health care needs of population groups with the greatest unmet needs, to provide public health outreach to underserved populations, and research designed to better understand, reduce, or eliminate the causes of illnesses in the population as a whole and enhance quality of life.

(c) All existing population-based public health programs of the State Department of Health Services and the county departments of health, shall be funded from the Public Health and Prevention Account. Nothing in this act shall be construed to require any decrease in funding for population-based programs of the State Department of Health Services and the county departments of health.

(d) The Public Health and Prevention Account shall be used to provide additional funding for existing programs of the State Department of Health Services and funding for new programs designed to improve health outcomes of the population by addressing the educational, social, economic, basic biological, and other causes of ill health.

(1) To develop new programs for funding by the Public Health and Prevention Account, the commissioner may consult with the Director of Health Services, local health officers, directors of county health departments, the State Superintendent of Public Instruction, directors of other state and local human services programs, and the deans of health professional training programs, academic medical centers, and schools of public health in the state, in order to determine the areas of investment likely to have the greatest impact on future improvement of health outcomes for the population in each system region.

(2) New programs shall be coordinated with existing public health and human services programs and may be funded by grants to any state, local, or private nonprofit human services agencies, or may be established by the commissioner directly.

(e) The Public Health and Prevention Account may be used to provide funding for school-based nurses to provide such services as immunizations and health education, as deemed appropriate by the commissioner.

(f) (1) In the first four budget years under this act, the commissioner's proposed budget shall include funding of the Public Health and Prevention Account at a level not less than the sum of all population-based public health

expenditures of the state and local health departments in the base year, supplemented by an additional one percent (1%) of anticipated total annual health security system revenues for the first year, and amounts in the second through fourth years that will achieve the level of funding specified in paragraph (2).

(2) In the fifth year and subsequent budget years under this act, the commissioner's proposed budget shall include funding of the Public Health and Prevention Account at a level not less than five percent (5%) of total annual health security system revenues.

25252. (a) There is in the Health Security Fund the Innovations Account. Funds in this account shall be expended for research and development of new strategies for disease treatment and cure. These funds shall also be used to guarantee that new technologies, approaches, and insights into disease treatment and cure are developed in order that they be available to all Californians at regional tertiary care referral centers.

(b) The commissioner's proposed budget shall include funding of the Innovations Account at a level not less than one percent (1%) of total annual health security system revenues.

25253. (a) There is in the Health Security Fund the Capital Improvements Account. The commissioner, in consultation with the advisory board, shall propose the amount to be included in each regional budget for capital improvements to be funded out of the Capital Improvements Account.

(b) To ensure survival and transition for state, county or municipally operated facilities, the funds in the Capital Improvements Account shall be disbursed, for a period of at least three years, in a manner proposed by the commissioner, to give priority to the capital needs of those facilities.

(c) Allocation of funds for capital expenditures in each system region shall require approval of the commissioner and shall be funded from the Capital Improvements Account.

(d) Notwithstanding any other provision of law, it is the intent of the people that no funds shall be appropriated for any health facility or clinic-related capital improvements above five hundred thousand dollars (\$500,000) per health facility or clinic in any year, unless that capital improvement is approved by the commissioner.

25254. (a) There is in the Health Security Fund the Reserve Account. The Reserve Account shall be considered to be fully funded when it contains an amount no less than five percent (5%) of total health security system revenues in a given year.

(b) The commissioner shall retain the Reserve Account for budgetary shortfalls, epidemics, or other extraordinary circumstances as defined by the commissioner and as set forth in Section 25151. The commissioner's proposed budget shall contain funding for the Reserve Account equal to one percent (1%) of the system budget, unless the commissioner determines that a different amount is needed for prudent operation of the health security system.

25255. (a) There is in the Health Security Fund, for a period of at least three years after benefits are first provided, a Health Worker Training Account.

(1) The commissioner's proposed budget shall contain funding for the Health Worker Training Account equal to one percent (1%) of the system budget, unless the commissioner determines that a different amount is needed for prudent operation of the health security system.

(2) Funds in the Health Worker Training Account may be used to allow health workers displaced by transition to the health security system to be retrained and placed in jobs that meet the new needs of the system.

(3) It is the intent of the people that the Legislature, in consultation with the commissioner, establish job retraining or apprenticeship training programs in each system region, pursuant to this section, to be funded from the Health Worker Training Account.

(b) After three years, the commissioner may do either of the following:

(1) Propose termination of the Health Worker Training Account.

(2) Continue the Health Worker Training Account, and its inclusion in the commissioner's proposed budgets, for the purpose of providing career education and training assistance that will enhance the delivery of health care to California communities that are underserved either in the quality of health care or in accessibility to health care providers.

Article 10. Transfer of Other State Programs

25257. (a) Programs for individual clinical prevention and treatment, previously administered by the State Department of Health Services, the State Department of Mental Health, the Department of Rehabilitation, the Department of Aging, the State Department of Developmental Services and the State Department of Social Services, and any other state or county entity that provides individual clinical prevention and treatment services, shall be administered by the commissioner to the extent that those programs are transferred to the health security system.

(b) Local health departments shall continue to provide clinical services when needed to reach special or underserved populations and to fulfill the counties' responsibility to provide health care services pursuant to Section 17000 of the Welfare and Institutions Code. However, to the greatest extent possible, those facilities shall be funded for these services from the Health Security Fund under the same overall operating expense budgets according to formulae applied to all health facilities and clinics.

(c) Those programs concerned with population-based public health activities and core public health functions shall remain the responsibility of the State Department of Health Services and shall be funded from the Public Health and Prevention Account pursuant to Section 25251.

(d) It is the intent of the people that the Legislature take steps to consolidate the administration of residual programs in those state departments whose functions have been significantly appropriated to the health security system, in order to maintain administrative efficiency and to effectively carry out the goals for which any residual programs were established.

CHAPTER 8. PRIMARY CARE, TERTIARY CARE, PUBLIC HEALTH, RESEARCH, AND HEALTH CARE WORKER TRAINING AND DISTRIBUTION

Article 1. Primary Care

25260. The people find that quality and efficiency in the delivery of health care services can best be achieved when the ratio of primary care to specialist physicians is one-to-one. Accordingly, the commissioner shall develop and implement appropriate policies which are intended to achieve this ratio.

Article 2. Tertiary Care

25265. (a) The commissioner shall designate one or more tertiary care referral centers for each system region, where particular specialized, experimental,

high-technology, and high-expense procedures and services shall be performed based on the expertise available, and outcomes demonstrated at those centers.

(1) The commissioner shall guarantee that specialized, high-technology, and high-expense procedures and services are performed at the highest level of competency possible and are fully available to all Californians with conditions whose effective treatment requires such care.

(2) The commissioner shall guarantee that the specialized services available in tertiary care referral centers are not in oversupply or otherwise available in ways that are likely to foster their inappropriate utilization.

(3) Tertiary care referral centers shall include, but need not be limited to, academic medical centers and county hospitals in the region, unless the commissioner finds compelling reasons to designate otherwise.

(b) The services whose reimbursement is restricted to the designated tertiary care referral centers shall be determined and specified no less than yearly by the commissioner on recommendation of the advisory board.

(c) The commissioner shall take such measures as are necessary to ensure that regionalization of specialized services does not result in barriers to appropriate and reasonable access to those services.

Article 3. Public Health

25270. (a) The advisory board shall make recommendations to the commissioner on technology assessment, cost-effectiveness, practice guidelines and standards, and promotion of population-based health strategies with an emphasis on prevention. Funding to carry out these recommendations, and to carry out public health research to promote disease prevention strategies shall be budgeted from the Public Health and Prevention Account in the form of grants for specific programs of the State Department of Health Services, county health departments, State Department of Education, or other state or local government or private non-profit human services agencies, or to programs established directly by the commissioner.

(b) It is the intent of the people that the Legislature not use funding by the commissioner of new programs under the auspices of the State Department of Health Services, county health departments, State Department of Education, or other state or local government or private non-profit human services agencies as a basis for diminishing existing funding of these departments and agencies.

Article 4. Academic Medical Centers

25275. (a) The commissioner shall acknowledge the special role of academic medical centers in providing individual health care services delivery, public health and basic research affecting health care outcomes and costs, and health worker education and training, by establishing special formulae by which facility budgets for academic medical centers are established.

(b) The commissioner shall meet with representatives of academic medical centers no less than yearly to promote the needs of the health security system and better coordinate health worker supply, distribution and demand to fulfill the objectives of this act. These objectives include:

(1) Achieving the targeted ratio of primary care to specialist physician providers specified in Section 25260.

(2) Achieving the number, geographic, discipline and specialty distribution of professional providers to that needed by the state as a whole.

(3) *Adjusting, over a period of years to be determined by the commissioner, the number and geographic and specialty distribution of professional providers as needed to staff underserved areas and communities.*

(c) *Actions of the commissioner with respect to academic medical centers shall be limited to filling those needs resulting from the replacement of multiple third party providers by a single-payer for health care services.*

Article 5. Research

25280. (a) *The commissioner may provide competitive grants to academic medical centers and other health professional schools in the state and to local health care experts in the regions to improve the effectiveness of the health security system at a level of funding recommended by the advisory board. The funding shall be for the following purposes:*

(1) (A) *To determine, and periodically review, the medical conditions that are effectively treated by particular new and currently practiced procedures and services:*

(B) *The outcome of these studies shall be provided to the advisory board for use in establishing recommendations regarding medical indications for new and currently practiced services and procedures, and to the commissioner and professional provider representatives for the purposes of negotiating rate and fee schedules for professional provider reimbursement and health facility or clinic facility budgets, and in decisions regarding capital expansion.*

(2) *To carry out basic biomedical and clinical research whose eventual outcome may prevent disease or allow it to be treated with greater efficacy and cost-effectiveness than is the case now.*

(3) *To carry out research into all aspects of health care services, organization, delivery, and population-based public health.*

(b) *Specific funding for these and other activities which explore new and innovative approaches to the current and future health care needs of California shall, upon appropriation of the Legislature, come from, but need not be limited to funds from, the Public Health and Prevention Account and the Innovations Account and shall be calculated separately from the facility budget for provision of services and health worker training of academic medical centers or the budget for local health departments.*

Article 6. Miscellaneous

25281. *The commissioner may establish standards and criteria regarding any aspect of primary care, tertiary care, public health, health worker training, and research not specified in this chapter.*

CHAPTER 9. ENFORCEMENT

25282. (a) *No provider that receives funds or provides care pursuant to this division, shall discriminate against a person seeking care on the basis of race, religious creed, color, national origin, ancestry, physical or mental disability, medical condition, marital status, sex, sexual orientation, age, wealth, or any other basis prohibited by the civil rights laws of this state; provided that nothing in this act shall require a professional provider or health facility or clinic to perform a particular service where either of the following applies:*

(1) *The particular service is outside its scope of practice which is bona fide limited to certain medical specialties, services, or age groups.*

(2) *The professional provider or health facility or clinic asserts a religious or conscientious objection to providing the particular service.*

(b) Any person who is eligible for health care services under this division has the right to equitable access to medically appropriate health care, and shall have standing to enforce this section.

25283. (a) Standards and criteria shall be established to assure that health care providers shall not have a financial interest in laboratory and diagnostic facilities to which they refer patients for tests, procedures, or services.

(b) Standards and criteria shall be established regarding financial disclosure by any health facility, clinic, or professional provider reimbursed under the health security system, in order to safeguard patient care and the integrity of the system.

25284. The commissioner shall exclude the following providers from participation in any program under this act:

(a) Any provider that has been convicted, under either state or federal law, of a criminal offense relating to any of the following:

(1) The delivery of an item or service under the act or any other federal or state health care program.

(2) The neglect or abuse of a patient in connection with the delivery of health care.

(3) Fraud, theft, embezzlement, breach of financial responsibility, or other financial misconduct in connection with the delivery of health care or with respect to any act or omission in a program operated by or financed in whole or in part by any federal, state, or local government agency.

(4) The interference with or obstruction of any act of the commissioner.

(5) The unlawful manufacture, distribution, prescription or dispensing of a controlled substance.

(b) Any provider whose license to provide health care has been revoked or suspended by any state licensing agency or who otherwise lost a license or the right to apply for or renew a license, for reasons bearing on the individual's or entity's professional competence, professional performance, or financial integrity.

(c) Any provider that has been suspended or excluded from participation in any federal or state program involving the provision of health care, including, but not limited to, Medicare, Medi-Cal, and programs of the Department of Defense and the Veterans Administration.

(d) Any provider that the commissioner determines any of the following:

(1) Has submitted or caused to be submitted to the commissioner bills or requests for payment for items or services furnished, where the bills or requests are based on charges or costs in excess of permitted charges or costs, unless the commissioner finds there is good cause for the bills or requests.

(2) Has furnished or caused to be furnished items or services to patients substantially in excess of the needs of the patients or of a quality that fails to meet professional recognized standards of health care.

(3) Is a health maintenance organization or other capitated program and has failed substantially to provide medically necessary items and services that are required under this act to be provided to eligible individuals if the failure has adversely affected or has had a substantial likelihood of adversely affecting those individuals.

(e) Any provider that did not fully or accurately make any disclosure required to be made by a health care facility or other provider under this act.

(f) Any provider that fails to grant the commissioner access upon reasonable request of the commissioner, pursuant to regulations promulgated by the commissioner, to enable the commissioner to do any of the following:

(1) To review data and records relating to compliance with conditions for participation and payment.

(2) To perform the reviews and surveys required by this act.

(3) To review records, documents, and other data necessary to the performance of the statutory functions of the commissioner.

25285. The commissioner may exclude the following providers from participation in any program under this act:

(a) Any provider found to violate Sections 25282 or 25283.

(b) Any person, including an organization, agency or other entity, but excluding a covered individual, that presents or causes to be presented to an officer, employee or agent of the commissioner a claim or request for payment that the commissioner determines meets any of the following descriptions:

(1) Is for a service or item that the person knows or should know was not provided as claimed.

(2) Is for a service or item and the person knows or should know the claim is false or fraudulent.

(3) Is presented for a physician's service or an item or service incident to a physician's service by a person who knows or should know that the individual who furnished or supervised the furnishing of the service was not licensed as a physician or was not certified in a medical specialty by a medical specialty board when the individual was represented as certified or the individual had been previously excluded from participation.

(4) Is in violation of this act or any regulation issued thereunder.

(c) Any person, including an organization, agency, or other entity, but excluding a covered individual that does any of the following:

(1) Makes a payment or provides an item or service, directly or indirectly, to any other provider, as an inducement to reduce or limit the service provided to a covered individual under this act.

(2) Offers to pay or solicits or receives any remuneration (including, but not limited to, any kickback, bribe, or rebate), directly or indirectly, overtly or covertly, in cash or in kind, in return for either of the following:

(A) Referring an individual to a person for the furnishing or arranging for the furnishing of any item or service for which payment is made under this act.

(B) Purchasing, leasing, ordering, or arranging for or recommending purchasing, leasing, or ordering any good, facility, service or time for which payment may be made in whole or in part under this act.

(d) Subdivision (c) shall not apply to any of the following:

(1) Any discount or other reduction in price obtained by a provider of service or other entity if the reduction in price is properly disclosed and appropriately reflected in the costs claimed or charges made by the provider or entity under this act.

(2) Any amount paid by an employer to an employee (who has a bona fide employment relationship with that employer) for employment in the provision of covered items and services.

(3) Any other agreement or payment practices that the commissioner determines, pursuant to regulations promulgated by the commissioner, are not primarily intended to induce or influence the quantity or quality of services provided under this act.

(e) (1) Any provider found to provide substandard care or engage in unprofessional conduct.

(2) Standards and criteria shall be established to review the care provided by providers to detect potential and actual quality of care problems and to prevent over-utilization or under-utilization of services paid for by the health security system.

25286. In addition to any other penalties prescribed by law, the commissioner may impose a civil money penalty of not more than \$5,000 for each violation of this chapter. In addition, such a person shall be subject to an assessment of not more than twice the amount of unlawful payment or damages sustained by the State of California resulting from the violation. In addition, the commissioner may make a determination in the same proceeding to exclude the person from participation in the health security system.

25289. The commissioner shall establish regulations and procedures for the review of any action which may result in exclusion or penalties under this chapter.

(a) In the case of exclusion or limitation under subdivision (e) of Section 25285, the review procedures shall be consistent with those required by Sections 809 through 809.9, inclusive, of the Business and Professions Code. The commissioner and all other individuals participating in the review procedures shall have all the immunities provided to a hospital by Sections 43.7, 43.8, 43.9, and 47 of the Civil Code, and Section 2318 of the Business and Professions Code. The review procedures shall be protected from discovery by Sections 1156, 1156.1, 1157, and 1157.5 of the Evidence Code.

(b) In the case of exclusion, limitation or penalty for any other reason permitted by this chapter, the review procedures shall be consistent with Section 25405.

25290. (a) An exclusion shall be effective at such time and upon such conditions as the commissioner determines.

(b) An exclusion may be terminated at such time and upon such conditions as the commissioner determines.

25291. (a) The commissioner shall provide notice to the public of all exclusions in accordance with regulations promulgated by the commissioner.

(b) The commissioner shall file a report pursuant to Section 805 of the Business and Professions Code with respect to any professional provider whose participation in the health security system has been limited in any way or who has been excluded from participation.

CHAPTER 10. IMPLEMENTATION

Article 1. Initial Health Security System Budget

25300. (a) The commissioner shall seek from the Legislature sufficient appropriation for start-up expenditures and transition costs.

(b) Any money appropriated under subdivision (a) shall be repaid with interest to the General Fund from the Health Security Fund within two years, unless a longer period is authorized by the Legislature.

Article 3. Phase-In of Benefits

25305. (a) Benefits under Article 2 (commencing with Section 25015), Article 3 (commencing with Section 25020), and Article 5 (commencing with Section 25030) of Chapter 4 shall be available to eligible individuals commencing January 1 of the second year following passage of this act.

(b) During the first year of benefits under this act, the commissioner may establish copayments as follows:

(1) For any elective service or prescription drug not to exceed \$5 for each procedure or prescription.

(2) For outpatient mental health care services, after the 26th service rendered in the year, not to exceed:

(A) In the case of services rendered by fee-for-service providers, 50% of the fee charged for each visit or rendered service.

(B) In the case of services rendered by capitated providers, \$25 per visit or rendered service.

(3) Individuals who receive benefits under the federal Medicare program, the CHAMPUS Program, or the Federal Employees' Health Benefit Plan, or who are exempt from copayments under federal law, shall not be required to pay the copayments specified in this section.

(c) After the first year of benefits under this act, no copayment shall be required for any covered benefit, other than as established by the commissioner pursuant to Sections 25020 and 25240, provided that the commissioner may extend the period of copayment under subdivision (b) for up to one additional year upon making a finding that the health security system is not yet capable of absorbing the full cost of the benefits.

(d) Benefits under Article 6 (commencing with Section 25035) of Chapter 4 shall be available to eligible individuals commencing January 1 of the third year following passage of this act.

(e) Benefits under Article 4 (commencing with Section 25025) of Chapter 4 shall be available to eligible individuals commencing January 1 of the fourth year following passage of this act.

Article 4. Health Worker Staffing Ratio Changes

25310. (a) Commencing on the effective date of this act, no health facility, clinic, or professional provider shall increase the ratio of patients to licensed or registered nurses without the approval of the commissioner. Petitions for waivers shall be made public and may not be approved without 60 days public notice.

(b) Prior to the date benefits are first available under this act, the commissioner shall establish minimum safe staffing standards for all settings in which health care is provided including minimum public health staffing standards.

Article 5. Transition of Capitated Integrated Health Delivery Systems

25311. (a) Individuals enrolled in a capitated integrated health delivery system on December 31 of the first year following passage of this act, shall be considered enrolled in that integrated health delivery system for the purposes of initial benefits effective January 1 of the second year following passage of this act, unless the particular integrated delivery system in which they are enrolled has not been registered by the health security system or has selected a non-capitated mode of reimbursement under the health security system.

(b) The commissioner shall meet with representatives of registered integrated health care delivery systems in each system region no less than four months prior to providing initial benefits under this act, for the purposes of coordinating their transition to the health security system.

(c) The commissioner shall consider the special needs and requirements of capitated integrated health care delivery systems in California. The commissioner may provide technical assistance or promulgate regulations with respect to the reimbursement and other requirements and procedures of the health security

system to ease the transition of capitated integrated health care delivery systems in order to preserve the availability of health care services in California.

CHAPTER 11. MISCELLANEOUS

Article 1. Hearings and Judicial Review

25400. (a) *Any person aggrieved by a decision, order, rate, rule, regulation, action or failure to act, of or by the commissioner, a regional administrator, or a regional consumer advocate, may seek judicial review.*

(1) *A decision that is required by law to be made following a quasi-adjudicatory hearing shall be set aside only if it is not supported by substantial evidence. Any other decision, order, rate, rule, regulation, action or failure to act, shall be set aside only if it is arbitrary and capricious.*

(2) *In suits brought by one or more individuals contesting an action of the commissioner restricting coverage afforded them under this program, a prevailing plaintiff shall be awarded costs of suit and reasonable attorney's fees.*

(b) *In any action or proceeding challenging a legislative amendment to this act:*

(1) *The party or parties asserting the validity of the amendment shall have the burden of proof by clear and convincing evidence that the amendment is consistent with the purposes of this act. The purposes of this act include not only the intent, findings, and declarations set forth in Sections 25001 and 25002, but also the means the act employs to achieve its stated aims.*

(2) *A legislative amendment inconsistent with the purposes of this act shall be declared invalid, and the prevailing plaintiff, other than the commissioner, an officer, or a member of a department, board or agency established by this act, shall be awarded cost of suit and reasonable attorney's fees.*

25405. (a) *Any quasi-adjudicatory hearing required by law shall be conducted in accordance with Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code, except as provided in this act or in regulations promulgated by the commissioner.*

(b) *The hearing shall be conducted by a hearing officer assigned by the commissioner who shall rule on the admission and the exclusion of evidence and may exercise all other powers relating to the conduct of the hearing.*

Article 2. Insurance and Practice Outside the Health Security System

25415. (a) *Any person providing or offering health care or insurance to any individual for a fee or other consideration that covers benefits available under the health security system shall inform these individuals, including prospective customers, in writing of the benefits for which they may be eligible under the health security system.*

(b) *The commissioner may establish a uniform notice, specifying both content and print size, to be included in any place of business, advertisement, policy of insurance, or offer to insure, as described in subdivision (a). The notice shall be limited to an advisement of rights under this act and the name and phone number of a person or office that can provide further information.*

(c) *Failure to provide the notice required by this section shall constitute an unfair business practice, entitling the individual to rescission, restitution, damages, and other remedies as provided by law and result in other action by the commissioner as authorized by law.*

25420. *Any health facility, clinic, or professional provider may elect to participate in the health security system, unless excluded by the commissioner.*

25421. (a) Except as provided in Section 25138, a participating health facility, clinic, or professional provider may not charge any person, including individuals not eligible for benefits under this act, for services or procedures that are covered benefits under this act, other than for a copayment as permitted by this act.

(b) Except as provided in Article 4 (commencing with Section 25180) of Chapter 7, a participating health facility, clinic, or professional provider may provide to any person services or procedures that are not covered benefits under this act.

(1) A provider may require a patient to pay for services or procedures that the commissioner has determined are not covered by this act. Fees or reimbursement for such service or procedure is a matter between the provider and the patient. The health security system is not liable for these charges and shall not be billed.

(2) No provider shall require a patient to pay for or obtain a service not covered by this act as a condition of obtaining covered services.

(3) The commissioner may monitor the provision, frequency, and cost of services under this subdivision to determine their efficacy and possible inclusion as covered benefits, and to safeguard against abuse of the health security system.

Article 3. Coordination with Other Laws

25520. Exemption from state and federal antitrust laws.

(a) Actions taken by or on behalf of the commissioner, or by any person as authorized by this act, shall not be considered a violation of California antitrust laws, including, but not limited to, Chapter 2 (commencing with Section 16700) of Part 2 of Division 7 of the Business and Professions Code.

(b) It is the intent of the people to ensure that all Californians receive high-quality health care coverage in the most efficient and cost-effective manner possible.

(1) In furtherance of this intent, the people find and declare that it is in the public interest to enhance the ability of professional providers, health facilities, and clinics to form bargaining units for the purpose of contracting for the delivery of health care services, and that it is in the public interest for the health security system to contract with vendors, professional providers, health facilities and clinics to further the purposes of this act.

(2) The people further find and declare that the existing marketplace for health care services, relying on contracts between individual providers, both institutional and professional, and individual insurers and purchasers, has not proven effective, and has been unable to provide quality and efficient health care to all Californians.

(3) The people further find and declare that the efficient operation of the health security system, including its salient purpose of providing universal, comprehensive, accessible, portable, and publicly administered health care, providing the greatest freedom of choice to the health care consumer, requires the displacement of competition among providers, insurers, and purchasers of health care services.

(4) The California Legislature has previously demonstrated a similar intent and public purpose in Section 16770 of the Business and Professions Code, Sections 1342.6 and 1797.6 of the Health and Safety Code, Section 10133.6 of the Insurance Code, and Section 14087.26 of the Welfare and Institutions Code.

(5) It is the intent of the people, therefore, that the formation of groups and combinations of providers and health facilities and the concentration of purchasing power and regulatory authority in the health security system, be exempt from federal antitrust restraints.

(c) *The people find and declare all of the following:*

(1) *There is a compelling state public interest in each action undertaken by or on behalf of the commissioner, and every other state and local agency, board, council, and officer acting under and in furtherance of this act, including, but not limited to, those actions otherwise considered in restraint of trade.*

(2) *This act prescribes and exercises the degree of state direction and supervision over health care services as shall provide for state action immunity under federal antitrust laws for activities undertaken by local governmental entities in carrying out their prescribed functions under this act.*

(d) *This section does not change existing antitrust law as it relates to any agreement or arrangement to exclude from any of the above-described groups or combinations, any person who is lawfully qualified to perform the services to be performed by the members of the group or combination, where the ground for the exclusion is failure to possess the same license or certification as is possessed by the members of the group or combination.*

25525. *Compliance with federal health care reform legislation.*

(a) *The commissioner shall determine which provisions of this act, and which actions taken pursuant to this act, must be modified to achieve compliance with requirements for state health plans as specified by federal laws or regulations including those enacted after submission of this ballot initiative, or other federal laws and regulations.*

(1) *If any statutory provision of this act must be modified to achieve compliance with federal health care reform legislation, the commissioner shall seek appropriate amendment by the Legislature, preserving the goals of this act, including, but not limited to, providing universal and comprehensive coverage, cost control, fiscal soundness, and progressive financing.*

(2) *The commissioner shall construe or modify any regulation promulgated under this act as necessary to achieve compliance with federal health care reform legislation.*

(b) *Provisions of federal laws and regulations covered by this section include, but are not limited to, certifying health plans, financing and financial solvency, cost control, protection for health care providers and enrollees, health benefits, enrollment, and provider reimbursement.*

25530. *Federal Waivers.*

(a) *The commissioner shall seek all appropriate federal waivers, exemptions, agreements or legislation that shall allow all federal payments for medical, mental health and long-term care made in this state to be paid directly to the commissioner for the purposes of the health security system, and for the assumption, by the health security system, of the responsibility for all benefits previously paid for by the federal government.*

(b) *The commissioner shall, in all cases, seek to maximize federal contributions and payments for medical, mental health, and long-term care services provided in this state, and, in obtaining the waivers, exemptions, agreements, or legislation required by subdivision (a), the commissioner shall seek to ensure that the contributions of the federal government for medical, mental health, and long-term care services in California shall not decrease in relation to other states as a result of the waivers, exemptions, agreements, or legislation.*

25535. *Construction.*

This act shall be construed as necessary to comply with federal health care legislation, consistent with the intent of the act to establish a single-payer for

health care with freedom of choice of professional provider and a single standard of care for all Californians eligible for particular services under the health security system.

SECTION 3. Section 13 is hereby added to Article XIII B of the California Constitution to read as follows:

SEC. 13. (a) "Appropriations subject to limitation" for each entity of government do not include appropriations for purposes of the California Health Security Act.

(b) "Appropriations subject to limitation" for each entity of government shall be lowered in any year by the amount excluded from limitation under subdivision (a), to the extent that amount was subject to limitation in the prior year.

SECTION 4. Section 20 is hereby added to Article XVI of the California Constitution to read as follows:

SEC. 20. (a) There is established a special fund in the State Treasury, to be called the Health Security Fund, for the purpose of implementing the California Health Security Act.

(b) All moneys collected, received, and transferred pursuant to the California Health Security Act shall be transmitted to the State Treasury to be deposited to the credit of the Health Security Fund for the purpose of financing the health security system.

(c) The money in the Health Security Fund shall not be considered state revenues or state money or proceeds of taxes for purposes of Sections 3 and 8 of this article.

SECTION 5. Unless expressly provided for in this act, the provisions of Part 2 (commencing with Section 10110) of Division 2 of the Insurance Code, shall not be applicable to this act.

SECTION 6. Welfare and Institutions Code Sections 5750, 10720, 10721, 10722, 10723, and 10724 are hereby added to read as follows:

5750. Administrative duties; standards; rules and regulations.

(a) The California State Health Commissioner shall administer this part. Notwithstanding any other provision of law, standards and regulations for mental health services shall be adopted in the manner set out in Chapter 4 (commencing with Section 25010) of Division 13 (California Health Security Act) for the adoption of standards and regulations for other benefits provided under this act consistent with Sections 5751 and 5751.1.

(b) Notwithstanding any other provision of law, the duties, purposes, responsibilities, functions and jurisdiction of the Citizen Advisory Council and the California Conference of Local Mental Health Directors under this part are transferred to the Health Care Policy Advisory Board as defined in subdivision (b) of Section 25004, unless the California State Health Commissioner determines otherwise by regulation.

(c) The transfer of the purposes, responsibilities, functions, property, officers, and employees of the Department of Mental Health to the California State Health Commissioner shall occur as provided in Sections 10720, 10721, and 10722, as added by this act.

(d) All regulations heretofore adopted by the Director of Mental Health which relate to the Director of Mental Health's duties, purposes, responsibilities, functions, and jurisdiction as well as payment, accounting, auditing, and collection of funds under this part, and that are in effect on the date of passage of this act, shall remain in effect and shall be fully enforceable unless and until readopted, amended, or repealed by the California State Health Commissioner.

10720. *Duties of the California State Health Commissioner.* The California State Health Commissioner shall administer the chapters and part referred to in Section 10721, as well as any other law in this division pertaining to the administration of health care services and medical assistance. As used in the chapters and parts referred to in Section 10721, the term "directors" and "department" mean the California State Health Commissioner.

10721. *Transfer of functions; effective date; impairment of contracts.*

(a) The California State Health Commissioner succeeds to and is vested with the duties, purposes, responsibilities, functions, and jurisdiction exercised by the State Department of Health Services pursuant to Chapter 6.5 (commencing with Section 13900), Chapter 7 (commencing with Section 14000), Chapter 8 (commencing with Section 14200), Chapter 8.5 (commencing with Section 14500), Chapter 8.7 (commencing with Section 14520), Chapter 8.8 (commencing with Section 14600), Chapter 9 (commencing with Section 15000), Chapter 9.5 (commencing with Section 15300), Chapter 11 (commencing with Section 15600), and Chapter 12 (commencing with Section 15710), of Part 3 and Part 4 (commencing with Section 16000), Part 4.5 (commencing with Section 16700), Part 4.6 (commencing with Section 16800), Part 4.7 (commencing with Section 16900), Part 5 (commencing with Section 17000), Part 5.5 (commencing with Section 17700) and Part 6 (commencing with Section 18000) of this division the date immediately prior to the date this section becomes effective.

(b) Functions transferred pursuant to this section include the management and administration of the Health Care Deposit Fund and the audit and recovery of amounts due as the result of payments made under the California Medical Assistance Program (Medi-Cal).

(c) Transfer to the California State Health Commissioner of the above duties, purposes, responsibilities, functions, and jurisdiction shall not impair any contract between the State Department of Health Services and any third party and the transfer shall neither create nor vest any right or obligation in either party. In no case shall the substitution of the California State Health Commissioner for the State Department of Health Services be considered a breach of contract or failure of performance, nor shall it disturb the legal relationship of the two parties.

10722. *Transfer of property.* The California State Health Commissioner shall have possession and control of all records, papers, offices, equipment, supplies, moneys, funds, appropriations, land and other property, real or personal held for the benefit or use of the Director of Health Services in the performance of his or her duties, powers, purposes, responsibilities, and jurisdiction that are vested in the State Department of Health Services for the purposes of carrying out the chapters and parts referred to in Section 10721.

10723. *Transfer of officers and employees.* All officers and employees of the State Department of Health Services who on the effective date of this act are serving in the state civil service, other than temporary employees, and engaged in the performance of a function vested in the California State Health Commissioner by Section 10721 shall be transferred to the California State Health Commissioner. The status, positions, and rights of those individuals shall not be affected by the transfer and shall be retained by them as officers and employees of the California State Health Commissioner, pursuant to the State Civil Service Act except as to positions exempt from civil service.

10724. *Regulations; continued effectiveness; readoption, amendment or repeal.* All regulations heretofore adopted by the Director of Health Services that

relate to payment, accounting, auditing, and collections functions vested in the State Department of Health Services, or by any predecessor department that relate to health care services or medical assistance functions vested in the State Department of Health Services, and that are in effect immediately preceding the effective date of this section, shall remain in effect and shall be fully enforceable unless and until readopted, amended or repealed by the California State Health Commissioner.

SECTION 7. Health and Safety Code Sections 443.20, 446, and 446.35 are added, to read as follows:

443.20. The California Health Policy and Data Advisory Commission is abolished. The California State Health Commissioner succeeds to and is vested with all the duties, powers, purposes, responsibilities, and jurisdiction of the California Health Policy and Data Advisory Commission, including, but not limited to, those functions and responsibilities performed pursuant to this division.

446. The Office of Statewide Health Planning and Development is abolished. The California State Health Commissioner succeeds to and is vested with all the duties, powers, purposes, responsibilities, and jurisdiction of the Office of Statewide Health Planning and Development, including, but not limited to, those functions and responsibilities performed pursuant to this division.

446.35. All regulations heretofore adopted by the Office of Statewide Health Planning and Development and that are in effect immediately preceding the operative date of this section, shall remain in effect and shall be fully enforceable unless and until readopted, amended or repealed by the California State Health Commissioner.

SECTION 8. Section 30123.5 and Part 14.5 of Division 2, commencing with Section 33000, are hereby added to the Revenue and Taxation Code to read as follows:

30123.5. Health Security System Cigarette and Tobacco Products Surtax.

(a) In addition to the tax imposed upon the distribution of cigarettes by this chapter, there shall be imposed on every distributor a tax upon the distribution of cigarettes at the rate of 50 mills (\$.05) for each cigarette distributed.

(b) There shall be imposed on every distributor of tobacco products based on the wholesale cost of these products, at a tax rate, as determined annually by the State Board of Equalization, which is equivalent to the combined rate of tax imposed on cigarettes by subdivision (a).

(c) The rate specified in subdivisions (a) and (b) shall be reduced by an amount equal to any tax imposed on like cigarette and tobacco products pursuant to federal health security legislation, to the extent that the federal tax revenues are contributed to the Health Security Fund.

(d) The revenues generated pursuant to this section shall be deposited in the Health Security Fund.

PART 14.5. HEALTH SECURITY FUND

33000. Definitions.

The definitions contained in this section shall govern the construction of this part, unless the context requires otherwise.

(a) "Act" means the California Health Security Act (Division 13 (commencing with Section 25000) of the Welfare and Institutions Code).

(b) "Base year" means the twelve months prior to the passage of the California Health Security Act.

(c) "Commissioner" or "Health Commissioner" means the California State Health Commissioner.

(d) "Employee" means a resident of California who works for an employer, is listed on the employer's payroll records, and is under the employer's control.

(e) "Employer" means any person, partnership, corporation, association, joint venture, or public or private entity employing for wages, salary, or other compensation, one or more employees at any one time to work in this state. "Employer" does not include self-employed persons with respect to self-employed earnings.

33001. Employer Health Security System Payroll Tax.

(a) All employers shall pay a health security payroll tax commencing January 1 of the second year following passage of the California Health Security Act.

(b) (1) Not later than April 15 of the year following passage of the act, each employer shall report to the Health Commissioner, by means and formulae determined by the commissioner, the number of employees and the amount paid for employee health insurance and benefits, both in absolute dollars and as a percentage of overall payroll, for the base year.

(2) An employer without a base year payroll shall estimate the items in paragraph (1) for its first full year of operation after the base year and report them to the commissioner. Within 90 days of completing the first full year of doing business in the state, the employer shall file a corrected report with the commissioner. The first full year of doing business in the state shall serve as the employer's base year for the purposes of this section.

(3) In addition to any penalties provided by law, an employer who fails to file the report required by this subdivision, or misstates any material fact, shall be assessed the maximum rate permitted under this section or Section 33002, plus an additional one percent tax on payroll, until a valid report is filed.

(c) Except as provided in Section 33002, the payroll tax rate shall be:

(1) In the case of employers with fewer than 10 employees, 4.4 percent of payroll.

(2) In the case of employers with 10 or more but fewer than 25 employees, 6.0 percent of payroll.

(3) In the case of employers with 25 or more but fewer than 50 employees, 7.0 percent of payroll.

(4) In the case of employers with 50 or more employees, 8.9 percent of payroll.

(5) In the event that federal law requires a different payroll tax rate, that rate shall apply.

(d) The payroll tax rate specified in this section shall be inclusive of, but not in addition to, any payroll tax mandated by federal health care reform legislation.

(e) For purposes of determining the tax rates under subdivision (c) both of the following shall apply:

(1) The number of employees means the number of full-time equivalent employees.

(2) The number of employees shall be the greater of the number in the current year or the base year.

(f) Nothing in the California Health Security Act shall be construed to prevent an employer from providing health benefits in excess of those available under the health security system.

(g) The commissioner may seek assistance from any appropriate state agency in obtaining the data necessary to carry out this section.

(h) The earnings of a self-employed individual resulting from self-employment shall not be considered payroll for the purposes of this section.

33002. Phase-In of Employer Health Security Payroll Tax.

(a) For the first year in which benefits are provided under this act, the payroll tax rate shall be the amount specified in Section 33001, adjusted as follows:

(1) By adding, in the case of an employer whose base-year health insurance and benefit payments, expressed as a percentage of payroll, was greater than the rate specified in subdivision (c) of Section 33001, two-thirds of the difference between these two rates.

(2) By subtracting, in the case of an employer whose base-year health insurance and benefit payments expressed as a percentage of payroll, was less than the rate specified in subdivision (c) of Section 33001, two-thirds of the difference between these two rates.

(b) For the second year in which benefits are provided under this act, the payroll tax rates shall equal the amount calculated in subdivision (a), replacing the fraction two-thirds in paragraphs (1) and (2) with the fraction one-third.

33003. Credit Against Employer Health Security Payroll Tax.

(a) With respect to each employee affected, an employer who, on the date of passage of this act, was under a contractual or legal obligation to provide the employee with health care benefits, that are covered benefits under this act, or to pay for such benefits through a policy of insurance or otherwise, shall receive a credit against its payroll tax obligation in a tax period equal to the amount it pays during that period for the benefits or insurance pursuant to the contract or legal obligation.

(1) Entitlement to the credit shall lapse upon the expiration of the contractual or legal obligation. No credit may be claimed for any obligation arising on or after the effective date of this act.

(2) This subdivision shall not apply to obligations subject to federal preemption as described in Article 3 (commencing with Section 25136) of Chapter 6 of Division 13 of the Welfare and Institutions Code.

(b) (1) In the event that the amount of a credit provided by this section exceeds the employer's payroll tax obligation for any affected employee, the excess shall be credited against the employee's tax obligation imposed by Section 33004.

(2) In the case of an employer exempt from the payroll tax obligation pursuant to Section 25136 of the Welfare and Institutions Code, the amount of credit to be applied to the employee's tax obligation shall be determined in the same manner as in the case of a non-exempt employer.

(c) No credit may be carried over from year to year or transferred among employees.

33004. Individual Health Security Income Tax.

(a) All heads of households and persons subject to California income tax shall pay a health security income tax commencing January 1 of the second year following passage of the California Health Security Act.

(b) The tax rate shall be 2.5 percent of taxable income as defined in Section 17073, but not less than fifty dollars (\$50) per household per year.

(c) In the case of households where no member files a California income tax return, the Health Commissioner shall establish mechanisms or coordinate with other state agencies to establish mechanisms, for the collection of the minimum tax, including, but not limited to, deduction of the tax from transfer payments or entitlements at their source.

33005. Credit Against Individual Health Security Income Tax.

(a) Individuals shall receive a credit against their individual health security income tax obligation for either or both of the following:

(1) Any credit arising under subdivision (b) of Section 33003.

(2) Any premium or tax paid by the individual required by federal health care reform legislation, to the extent that the payments are mandatory and no election is allowed for a single-payer system.

(b) In no case shall the amount of a credit provided under this section exceed the individual's health security income tax obligation in any year. No credit may be carried over from year to year.

33006. (a) Nothing in the California Health Security Act shall be construed to interfere with an employer choosing to pay, in part or in full, the individual health security income tax for an employee.

(b) If an employer chooses to pay the health security income tax on behalf of an employee, the payments shall not substitute for any obligation of the employer pursuant to Section 33000.

33007. Individual Health Security Income Surtax.

(a) Persons filing a California income tax return shall pay a health security income surtax of 2.5 percent on net taxable income in excess of two hundred fifty thousand dollars (\$250,000).

(b) Notwithstanding subdivision (a), married couples filing a California joint income tax return shall pay a health security income surtax of 2.5 percent on net taxable income in excess of five hundred thousand dollars (\$500,000).

(c) The surtax described in this subdivision shall be in addition to the individual health security income tax imposed by Section 33004.

SECTION 9. Legislative Amendment.

(a) The provisions of this act shall not be amended by the Legislature except to further its purposes by a statute passed in each house by rollcall vote entered in the journal, two-thirds of the membership concurring, or by a statute that becomes effective only when approved by the electorate.

(b) The two-thirds vote requirement of subdivision (a) shall not apply to any provision of this act that meets any of the following requirements:

(1) Specifically mentions and authorizes action by the Legislature, in which case a majority of the membership in each house shall be sufficient for amendment.

(2) Specifically states a different method for amendment, in which case that method shall control.

(3) Must be amended to achieve compliance with federal health care reform legislation, pursuant to Sections 25525 and 25530 of the Welfare and Institutions Code, in which case a majority of the membership in each house shall be sufficient for amendment.

SECTION 10. Severability.

If any provisions of this act or the application thereof to any person or circumstances is held invalid, that invalidity shall not affect other provisions or applications of the act which can be given effect without the invalid provision or application, and to this end the provisions of this act are severable. Towards this end, it is the intent of the people that any invalid section, subdivision, paragraph, sentence, or clause shall be severed from the remainder of the act to preserve its remaining provisions.

SECTION 11. Repeal of Welfare and Institutions Code Sections 5750, 10720, 10721, 10722, 10723, 10724, 10725, and 10726, and Health and Safety Code Sections 443.20, 443.21, 446, 446.1, 446.2, 446.3, and 446.35.

Welfare and Institutions Code Section 5750 is hereby repealed.

5750. (a) The State Department of Mental Health shall administer this part and shall adopt standards for approval of mental health services, and rules and regulations necessary thereto. However, these standards, rules, and regulations shall be adopted only after consultation with the California Council on Mental Health and the California Conference of Local Mental Health Directors. Adoption of these standards, rules, and regulations shall require approval by the California Conference of Local Mental Health Directors by majority vote of those present at an official session except for regulations pertaining to psychiatric health facilities. For regulations pertaining to psychiatric health facilities, the vote by the conference, following consultation, shall be only advisory to the State Department of Mental Health.

(b) If the conference refuses or fails to approve standards, rules, or regulations submitted to it by the State Department of Mental Health for its approval, the State Department of Mental Health may submit these standards, rules, or regulations to the conference at its next meeting, and if the conference again refuses to approve them, the matter shall be referred for decision to a committee composed of the Secretary of the Health and Welfare Agency, the Director of Mental Health, the President of the California Conference of Local Mental Health Directors, the Chairman of the California Council on Mental Health, and a member designated by the State Advisory Health Council.

(c) (1) From July 1, 1991, to June 30, 1993, inclusive, the conference shall not approve regulations of the State Department of Mental Health. The impact on this subdivision of regulatory timing shall be included in the department's report to the Legislature on September 30, 1992.

(2) The department shall continue during that period to involve the conference in the development of all regulations which affect local mental health programs, prior to the promulgation of those regulations pursuant to the Administrative Procedure Act.

Welfare and Institutions Code Section 10720 is hereby repealed.

10720. As used in this chapter, "department" means the State Department of Health Services, and "director" means the State Director of Health Services.

Welfare and Institutions Code Section 10721 is hereby repealed.

10721. The director shall administer Chapter 7 (commencing with Section 14000) and Chapter 8 (commencing with Section 14200) of Part 3 of this division and any other law pertaining to the administration of health care services and medical assistance. He shall perform such other duties as may be prescribed by law and shall observe and report to the Secretary of Health and Welfare and the Governor on the condition of health care services and medical assistance throughout the state

Welfare and Institutions Code Section 10722 is hereby repealed.

10722. The State Department of Health Services succeeds to and is vested with the duties, purposes, responsibilities, and jurisdiction exercised by the State Department of Health or the State Department of Benefit Payments pursuant to Chapter 7 (commencing with Section 14000), Chapter 8 (commencing with Section 14200), Chapter 8.5 (commencing with Section 14500), and Chapter 8.7 (commencing with Section 14520) of this part on the date immediately prior to the date this section becomes operative. Functions transferred pursuant to this

section include the management and administration of the Health Care Deposit Fund and the audit and recovery of amounts due as the result of payments made under the California Medical Assistance Program (Medi-Cal).

Transfer to the State Department of Health Services of the above functions shall not impair any contract between the State Department of Health or the State Department of Benefit Payments and any third party and such transfer shall neither create nor vest any right or obligation in either party. In no case shall the substitution of the State Department of Health Services for the State Department of Health or the State Department of Benefit Payments be considered a breach of contract or failure of performance, nor shall it disturb the legal relationships of the parties.

Welfare and Institutions Code Section 10723 is hereby repealed.

10723. The State Department of Health Services shall have possession and control of all records, papers, offices, equipment, supplies, moneys, funds, appropriations, land, and other property real or personal held for the benefit or use of the Director of Health or the Director of Benefit Payments in the performance of his duties, powers, purposes, responsibilities, and jurisdiction that are vested in the State Department of Health Services by Section 10722.

Welfare and Institutions Code Section 10724 is hereby repealed.

10724. All officers and employees of the Director of Health and the Director of Benefit Payments who on the operative date of this section are serving in the state civil service, other than as temporary employees, and engaged in the performance of a function vested in the State Department of Health Services by Section 10722 shall be transferred to the State Department of Health Services. The status, positions, and rights of such persons shall not be affected by the transfer and shall be retained by them as officers and employees of the State Department of Health Services pursuant to the State Civil Service Act, except as to positions exempt from civil service.

Welfare and Institutions Code Section 10725 is hereby repealed.

10725. The director may adopt regulations, orders, or standards of general application to implement, interpret, or make specific the law enforced by the department, and such regulations, orders, and standards shall be adopted, amended, or repealed by the director only in accordance with the provisions of Chapter 4.5 (commencing with Section 11371), Part 1, Division 3, Title 2 of the Government Code, provided that regulations relating to services need not be printed in the California Administrative Code or California Administrative Register if they are included in the publications of the department. Such authority also may be exercised by the director's designee.

In adopting regulations the director shall strive for clarity of language which may be readily understood by those administering services or subject to such regulations.

The rules of the department need not specify or include the detail of forms, reports or records, but shall include the essential authority by which any person, agency, organization, association or institution subject to the supervision or investigation of the department is required to use, submit or maintain such forms, reports or records.

Welfare and Institutions Code Section 10726 is hereby repealed.

10726. All regulations heretofore adopted by the Director of the State Department of Benefit Payments which relate to payment, accounting, auditing and collection functions vested in the State Department of Health Services, or by the State Department of Health or any predecessor department which relate to

health care services or medical assistance functions vested in the State Department of Health Services, and which are in effect immediately preceding the operative date of this section, shall remain in effect and shall be fully enforceable unless and until readopted, amended or repealed by the State Director of Health Services.

Health and Safety Code Section 443.20 is hereby repealed.

443.20. There is hereby created the California Health Policy and Data Advisory Commission to be composed of 11 members.

The Governor shall appoint seven members, one of whom shall be a hospital chief executive officer, one of whom shall be a long-term care facility chief executive officer, one of whom shall be a representative of the health insurance industry involved in establishing premiums or underwriting, one of whom shall be a representative of a group prepayment health care service plan, one of whom shall be a representative of a business coalition concerned with health, and two of whom shall be general members. The Speaker of the Assembly shall appoint two members, one of whom shall be a physician and surgeon and one of whom shall be a general member. The Senate Rules Committee shall appoint two members, one of whom shall be a representative of a labor coalition concerned with health, and one of whom shall be a general member.

The chairperson shall be designated by the Governor. The Governor shall designate four original appointments which will be for four-year terms. The Governor shall designate three original appointments which shall be for two-year terms. The Speaker of the Assembly shall designate one original appointment which will be for two years and one original appointment which will be for four years. The Senate Rules Committee shall designate one original appointment which will be for two years and one original appointment which will be for four years. Thereafter, all appointments shall be for four-year terms.

In addition to the 11 original appointees to the commission, the chairperson of the Advisory Health Council on December 31, 1985, and the chairperson of the California Health Facilities Commission on December 31, 1985, shall also serve four-year terms. During their terms when the commission shall have 13 members, they shall be full voting representatives.

Health and Safety Code Section 443.21 is hereby repealed.

443.21. As used in this part, the following terms mean:

(a) "Commission" means the California Health Policy and Data Advisory Commission.

(b) "Health facility" or "health facilities" means all health facilities required to be licensed pursuant to Chapter 2 (commencing with Section 1250) of Division 2.

(c) "Hospital" means all health facilities except skilled nursing, intermediate care, and congregate living health facilities.

(d) "Office" means the Office of Statewide Health Planning and Development.

(e) "Risk-adjusted outcomes" means the clinical outcomes of patients grouped by diagnoses or procedures which have been adjusted for demographic and clinical factors.

Health and Safety Code Section 446 is hereby repealed.

446. There is in the state government, in the Health and Welfare Agency, an Office of Statewide Health Planning and Development.

Health and Safety Code Section 446.1 is hereby repealed.

446.1. The Office of Statewide Health Planning and Development is under the control of an executive officer known as the Director of Statewide Health

Planning and Development, who shall be appointed by the Governor, subject to confirmation by the Senate, and hold office at the pleasure of the Governor. He shall receive the annual salary provided by Article 1 (~~commencing with Section 11550~~) of Chapter 6 of Part 1 of Division 3 of Title 2 of the Government Code.

Health and Safety Code Section 446.2 is hereby repealed.

446.2. The Director of Statewide Health Planning and Development shall have the powers of a head of the department pursuant to Chapter 2 (~~commencing with Section 11150~~) of Part 1 of Division 3 of Title 2 of the Government Code.

Health and Safety Code Section 446.3 is hereby repealed.

446.3. The Office of Statewide Health Planning and Development succeeds to and is vested with all the duties, powers, purposes, responsibilities, and jurisdiction of the State Department of Health relating to health planning and research development. The office shall assume the functions and responsibilities of the Facilities Construction Unit of the former State Department of Health, including, but not limited to, those functions and responsibilities performed pursuant to the following provisions of law:

Article 5.5 (~~commencing with Section 380~~) of Chapter 2 of Part 1 of Division 1; Article 18 (~~commencing with Section 429.70~~) and Article 19 (~~commencing with Section 429.94~~) of Chapter 2.5 of Part 1 of Division 1; Chapter 3 (~~commencing with Section 430~~) and Chapter 4 (~~commencing with Section 436~~) of Part 1 of Division 1; Part 1.5 (~~commencing with Section 437~~) of Division 1; Section 1260; Chapter 10 (~~commencing with Section 1770~~) of Division 2; Section 13113; and Division 12.5 (~~commencing with Section 15000~~).

Health and Safety Code Section 446.35 is hereby repealed.

446.35. All regulations heretofore adopted by the State Department of Health which relate to functions vested in the Office of Statewide Health Planning and Development and which are in effect immediately proceeding the operative date of this section, shall remain in effect and shall be fully enforceable unless and until readopted, amended, or repealed by the Office of Statewide Health Planning and Development.

INITIATIVE STATUTES

*Number
on ballot*

185. Public Transportation Trust Funds. Gasoline Sales Tax.

[Rejected by electors November 8, 1994.]

PROPOSED LAW

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

SECTION 1. This act shall be known and may be cited as the Clean Air, Jobs, and Transportation Efficiency Act of 1994.

SECTION 2. The People of the State of California find and declare all of the following:

(a) Improving air quality and saving energy are vital for the well-being of the people of California. One of the best ways to accomplish these goals is to convert existing public transit systems to electrical and clean fuel operation and to build new public transit systems which run on electricity and clean fuels.

(b) Improving public transportation service to those with disabilities and the elderly is an important public goal.

(c) Increasing the efficiency of public transportation systems, and reducing waste and bureaucratic overhead is important in an era of diminished public resources.

(d) When funds are collected for a specific transportation purpose, they should be used for that purpose.

(e) Preventing crime and graffiti on public transportation vehicles is important to the quality of life in our cities, and to the safety and security of transit passengers.

(f) Reinforcing roads and bridges to prevent loss of life in earthquakes is a worthwhile use of transportation funds.

(g) Increasing the safety of passenger rail systems by utilizing automated enforcement technology at grade crossings will save lives and reduce accidents by providing for more effective and efficient enforcement of grade crossing laws.

(h) Providing funds to reduce the impact of transportation on the environment by protecting sensitive lands, planting trees in and near urban areas, providing funding for bicycle and trail projects, and other projects is an appropriate use of transportation funding.

(i) It is appropriate to pay for these programs through an increase in the sales tax on gasoline.

SECTION 3. Section 14502.5 is added to the Government Code, to read:

14502.5. (a) The Rail Committee of the California Transportation Commission is hereby created, and is comprised of three of the members of the commission appointed pursuant to subdivision (a) of Section 14502. No member of the committee shall be the commissioner who represents the Public Utilities Commission. All appointees to the committee shall have knowledge and expertise in rail and other forms of public transportation.

For the initial committee, two of the members of the committee shall be the members of the commission who are appointed to the commission after January 10, 1995, to fill the vacancies on the commission which occur in 1995. The third member of the committee shall be appointed by the Governor after January 10, 1995, from the current members of the commission, and shall serve until the Governor fills the next vacancy on the commission, at which time the member appointed to fill that vacancy shall become the third member of the committee.

(b) The committee shall have full and sole jurisdiction and authority to allocate the funds made available to it pursuant to the Clean Air, Jobs, and Transportation Efficiency Act of 1994. In addition, the committee shall have the full authority to allocate all state and federal rail and public transit funds over which the commission otherwise would have jurisdiction, including bond funds approved by the voters, and transit funds made available pursuant to the Transportation Planning and Development Account, and other state funds available to the commission which are designated for rail and other public transit projects. Nothing in this subdivision shall be interpreted as granting either the commission or the committee the authority to allocate federal funds to a local transit agency or the department that are allocated directly from the federal government. The commission shall program all funds which may be allocated on a flexible basis to transit or highway purposes. The committee shall allocate all flexible funds which are programmed by the commission for transit purposes. The members of the committee shall be full voting members of the commission on all matters which require action by the commission.

(c) The purpose of this section is to streamline and expedite the early allocation and distribution of funds provided for rail and public transit

programs, and to efficiently expend funds authorized by the Clean Air, Jobs, and Transportation Efficiency Act of 1994, to stimulate the California economy and create jobs.

(d) The committee shall cease to exist on January 1, 2000, and the full commission shall assume the powers and duties of the committee pursuant to the Clean Air, Jobs, and Transportation Efficiency Act of 1994.

SECTION 4. Section 29531 of the Government Code is amended to read:

29531. (a) The board of supervisors shall continuously appropriate the money in ~~such~~ the local transportation fund for expenditure for the purposes specified in this article directly related to administration of the fund and the fund's revenue and the transportation and associated fund administration purposes specified in Chapter 4 (commencing with Section 99200) of Part 11 of Division 10 of the Public Utilities Code.

(b) The local transportation fund is a trust fund. Once the local transportation fund is created, it shall not be abolished. Money in the fund shall only be allocated to mass transportation, pedestrian and bicycle facilities, streets and roads, transportation planning, and fund administration purposes, as required by this article and by Chapter 4 (commencing with Section 99200) of Part 11 of Division 10 of the Public Utilities Code. Neither the county nor the Legislature shall divert any of the money in the fund from these purposes to another purpose.

(c) If a statute transfers any funds or results in the transfer of any funds from the local transportation fund to any other account, fund, or other depository, directly or indirectly, within 90 days of the effective date of the statute, the Controller shall transfer an amount equivalent to the amount of the transfer from the General Fund to the local transportation fund. There is hereby appropriated from the General Fund an amount necessary to make any transfer required by this subdivision.

SECTION 5. Section 25619 is added to the Public Resources Code, to read:

25619. (a) Funds transferred pursuant to subdivision (e) of Section 7103 of the Revenue and Taxation Code are continuously appropriated, notwithstanding Section 13340 of the Government Code and without regard to fiscal year, to the State Energy Conservation Assistance Account, created pursuant to Section 25416, to be expended by the commission.

(b) The funds appropriated pursuant to subdivision (a) shall be used for research, development, demonstration, and commercialization of electric, hybrid-electric, including, but not limited to, hybrid utility vans, and other "ultra-low emission" and "zero emission" vehicles and vehicle technologies, and the establishment of these advanced transportation technology industries in California. The commission shall expend these funds in consultation with the Department of Transportation and the State Air Resources Board, and may adopt guidelines to implement this section. High priority for use of these funds shall be to promote commercialization of these technologies by assisting in the purchase of these vehicles by public agencies. Public agencies using funds provided pursuant to this subdivision shall purchase vehicles meeting the emission standards established by the State Air Resources Board for "ultra-low emission" and "zero emission" vehicles. The terms "ultra-low emission" and "zero emission" shall be defined by the State Air Resources Board. For purposes of this section, "vehicle" includes passenger cars, light and medium-duty trucks and vans, other vehicles for personal transportation, and buses. Expenditures pursuant to this subdivision for buses and bus technologies shall not exceed ten million dollars (\$10,000,000).

The commission shall seek additional funds to augment these programs. In allocating funds for these programs the commission shall give preference to vehicle technologies that are identified by the State Air Resources Board as having very low fuel cycle emissions of air pollutants, or other air quality characteristics that, in the judgment of the State Air Resources Board, provide significant air quality and economic benefits to California. In assisting in the purchase of vehicles by public agencies, the commission shall have as a goal that the agencies' purchase or lease cost of the vehicles, not counting the assistance provided by the commission and other forms of assistance, be no more than the cost of comparable conventional gasoline or diesel fueled vehicles.

(c) The Legislature may amend subdivision (b) of this section by statute passed in each house of the Legislature by rollcall vote entered in the journal, four-fifths of the membership concurring, if the statute is consistent with, and furthers the purposes of, the Clean Air, Jobs, and Transportation Efficiency Act of 1994.

SECTION 6. Section 99232 of the Public Utilities Code is amended to read:

99232. ~~For~~ *(a) Notwithstanding any other provision of law, for counties with a population of 500,000 or more, as determined by the 1970 federal decennial census, but excluding counties with more than 4,500 miles of maintained county roads as of 1970 as determined by the most recent population information available from the Department of Finance, the amount representing the apportionments of the areas of all operators serving an urbanized area of 100,000 or more in population shall be available solely for claims for Section 99234 purposes, and for Article 4 (commencing with Section 99260) and Article 4.5 (commencing with Section 99275) purposes, and not for street and road purposes, and any of those moneys not allocated in any year shall be available for those claims in subsequent years. However, no area that was subject to the apportionment restriction of this section in effect on July 1, 1993, shall become eligible to receive funds for street and road purposes as a result of any change to this section made by the Clean Air, Jobs, and Transportation Efficiency Act of 1994. In the event of a conflict between this section and any other provision of law, this section shall prevail. This section shall become operative on July 1, 1995.*

(b) The Legislature may amend subdivision (a) of this section by statute passed in each house of the Legislature by rollcall vote entered in the journal, four-fifths of the membership concurring, if the statute is consistent with, and furthers the purposes of, the Clean Air, Jobs, and Transportation Efficiency Act of 1994.

SECTION 7. Section 99310.5 of the Public Utilities Code is amended to read:

99310.5. (a) The account is hereby designated a trust fund.

~~(b) The funds in the account shall be available, when appropriated by the Legislature, are continuously appropriated, notwithstanding Section 13340 of the Government Code and without regard to fiscal years, to the committee, for allocation only for the transportation planning and mass transportation purposes, as specified by the Legislature required by this article.~~

(c) Any reference to the account in this article also includes the subaccount established by Section 99310.6, except as provided in Section 99310.6 and Article 7.5 (commencing with Section 99385). In the case of a conflict between this section and Section 99310.6 or Article 7.5 (commencing with Section 99385), Section 99310.6 and Article 7.5 (commencing with Section 99385) shall prevail.

~~(e) (d)~~ *The Legislature may amend subdivision (c) of this section by statute passed in each house of the Legislature by rollcall vote entered in the journal,*

~~two-thirds~~ *four-fifths* of the membership concurring, if the statute is consistent with, and furthers the purposes of, ~~this section~~ *the Clean Air, Jobs, and Transportation Efficiency Act of 1994.*

SECTION 8. Section 99310.6 is added to the Public Utilities Code, to read:

99310.6. *Funds transferred to the account pursuant to Section 7103 of the Revenue and Taxation Code shall be deposited in a separate subaccount of the account, which shall be known as the Clean Air, Jobs, and Transportation Efficiency Act Subaccount. Interest on these funds shall accrue to the subaccount. Notwithstanding Section 13340 of the Government Code, all money in the subaccount is continuously appropriated, without regard to fiscal years, to the committee for allocation as required by Article 7.5 (commencing with Section 99385).*

SECTION 9. Section 99310.7 is added to the Public Utilities Code, to read:

99310.7. (a) *No funds in the account shall be used for debt service for general obligation bonds issued for transportation purposes pursuant to Chapter 17 (commencing with Section 2701) of the Streets and Highways Code and Chapter 19 (commencing with Section 2703) of Division 3 of that code, or bonds issued pursuant to Chapter 6 (commencing with Section 99690) of Part 11.5, or for any future general obligation bonds that the state may authorize and issue.*

(b) *All loans that were made from the account in order to pay transportation bond debt service pursuant to the relevant provisions of the Budget Act of 1992, the Budget Act of 1993, and any other budget acts, shall be repaid, with interest at the pooled money investment rate applicable to the period during which the loans were outstanding, on or before June 1, 1997, with funds other than funds in the account or other funds dedicated to transportation purposes. If these loans have not been repaid in full by that date, the Controller shall transfer 50 percent of the amount due, including interest, on June 30, 1997, from the General Fund to the account, and shall transfer the remainder, including interest, from the General Fund to the account, on or before June 1, 1998. There is hereby appropriated from the General Fund an amount necessary to make any transfer required by this subdivision. The loans that were made pursuant to the relevant provisions of the budget acts described in this subdivision shall be considered to be loans until repaid, notwithstanding any other provision of law.*

SECTION 10. Section 99310.8 is added to the Public Utilities Code, to read:

99310.8. (a) *Except as otherwise specified in this article and Article 7.5 (commencing with Section 99385), and any provision of the Clean Air, Jobs, and Transportation Efficiency Act of 1994, no funds shall be transferred or loaned from the account to any other account, fund, or other depository. The intent of this subdivision is to provide funds to mass transportation and other public transportation purposes, and to successfully implement the purposes of Section 99399.10 and the Clean Air, Jobs, and Transportation Efficiency Act of 1994.*

(b) *All interest, rental or lease income, or other income earned by the state from the funds in the account or from income produced by property acquired by the state by funds from the account, directly or indirectly, shall remain or be deposited in the account. This subdivision does not apply to income produced by property acquired and developed by local agencies or joint powers authorities pursuant to grants made by the state.*

(c) *If a statute transfers any funds from the account to any other account, fund, or other depository, directly or indirectly, within 90 days of the effective date of the statute, the Controller shall transfer an amount equivalent to the*

amount of the transfer from the General Fund to the account. There is hereby appropriated from the General Fund an amount necessary to make any transfer required by this subdivision.

SECTION 11. Section 99310.9 is added to the Public Utilities Code, to read:

99310.9. (a) (1) Notwithstanding Section 99310.8, all funds returned to the Transportation Planning and Development Account pursuant to subdivision (b) of Section 99310.7 shall be transferred to the Passenger Equipment Acquisition Fund, created pursuant to Section 14066 of the Government Code. The Passenger Equipment Acquisition Fund is a continuously appropriated fund, notwithstanding Section 13340 of the Government Code, without regard to fiscal years. These funds shall be available to the department, at the discretion of the department, to exercise remaining options for the procurement of intercity California rail cars initially procured pursuant to Section 99649, and to purchase California rail cars modified as necessary to meet the speed requirements of subparagraph (C) of paragraph (1) of subdivision (c) of Section 99391.

(2) If by the date the funds are returned to the account the equipment originally purchased pursuant to Section 99649 is not completely delivered and in revenue service, or if there are remaining significant contractual disputes between the department and the manufacturer of the equipment regarding equipment performance, the department may allocate the funds to the purchase of any rail cars and locomotives suitable for service in intercity rail service.

(3) In allocating the California rail cars purchased pursuant to paragraphs (1) and (2), highest priority shall be given to providing cars for intercity rail service on the Los Angeles-Orange County-San Diego rail corridor.

(4) All funds returned to the account and transferred to the Passenger Equipment Acquisition Fund and not expended on or before January 1, 2010, shall be transferred to the subaccount to be expended for the purposes of the subaccount.

(b) (1) The department shall not provide for the replacement of any existing Amtrak-owned or leased intercity rail cars in use on or after January 1, 1996, on California-supported intercity rail routes in existence on January 1, 1996, with state-owned California cars, unless Amtrak or the federal government provides assurances satisfactory to the department that a minimum of 90 percent federal funding has been secured for acquisition of California rail cars with at least as many aggregate number of seats as the Amtrak-owned cars to be replaced and removed from California for use on Amtrak routes in other states. Alternatively, the department may provide for the replacement of existing Amtrak-owned equipment on state-supported routes, if Amtrak contractually agrees to retain an equivalent or greater number of existing or new Amtrak-owned cars for use on new or expanded California-supported services, or if Amtrak agrees to another comparable or greater deployment of equipment within California which the department determines is fair to the state.

(2) This subdivision does not apply to Amtrak equipment in interstate service.

(3) The Legislature may amend paragraphs (1) and (2) of this subdivision by statute passed in each house of the Legislature by rollcall vote entered in the journal, four-fifths of the membership concurring, if the statute is consistent with, and furthers the purposes of, the Clean Air, Jobs, and Transportation Efficiency Act of 1994.

SECTION 12. Section 99311 of the Public Utilities Code is amended to read:

99311. Upon appropriation by the Legislature, funds transferred, or scheduled as a reimbursement, to the account, pursuant to Section 21682.5 of this

code and Section 194 of the Streets and Highways Code, shall be available for allocation by the director, *in cooperation with the commission*, for the following purposes:

(a) State transportation planning.

(b) Regional transportation planning by transportation planning agencies designated pursuant to Section 29532 of the Government Code, but not those specified in subdivision (b) of Section 29532.4 of the Government Code.

SECTION 13. Section 99312 of the Public Utilities Code is amended to read:

99312. From the funds transferred to the account pursuant to Section 7102 of the Revenue and Taxation Code, ~~the Legislature shall appropriate funds~~ *shall be allocated subject to the approval of the Director of Finance* for purposes of Section 99315.5. The remaining transferred funds in the account shall be ~~appropriated by the Legislature,~~ *allocated* as follows:

(a) To the department, 50 percent for purposes of Section 99315, *subject to the requirements of Section 99316. No funds shall be made available for subdivision (c) of Section 99315 as long as funds are available pursuant to subdivision (g) of Section 7103 of the Revenue and Taxation Code. Funding shall continue to be available for subdivision (b) of Section 99315, and at least 15 percent of those funds shall be allocated to intercity rail projects.*

(b) To the Controller, 25 percent for allocation to transportation planning agencies, county transportation commissions, and the San Diego Metropolitan Transit Development Board pursuant to Section 99314.

(c) To the Controller, 25 percent for allocation to transportation agencies, county transportation commissions, and the San Diego Metropolitan Transit Development Board for purposes of Section 99313.

(d) *The Legislature may amend subdivisions (a), (b) and (c) of this section by statute passed in each house of the Legislature by rollcall vote entered in the journal, four-fifths of the membership concurring, if the statute is consistent with, and furthers the purposes of, the Clean Air, Jobs, and Transportation Efficiency Act of 1994.*

SECTION 14. Section 99315.5 of the Public Utilities Code is amended to read:

99315.5. From the funds made available pursuant to Section 99312, an amount shall be ~~appropriated~~ *allocated* for each of the following purposes:

(a) To the department for its planning activities not payable from the State Highway Account in the State Transportation Fund, its mass transportation responsibilities, and its assistance in regional transportation planning.

(b) To the director for allocation, *subject to Section 99315.6, to the Institute of Transportation Studies of the University of California and to the International Institute for Surface Transportation Policy Studies, authorized by the Intermodal Surface Transportation Efficiency Act of 1991 (P.L. 102-240) as the Institute for National Surface Transportation Policy Studies* for training and research in public transportation systems engineering and management and coordination with other transportation modes, *and other public transportation policy issues. The director shall provide dollar-for-dollar matching funds for any federal funds provided to each institute.*

(c) To the commission, *subject to the approval of the Director of Finance*, for its activities not payable from the State Highway Account.

(d) To the Public Utilities Commission for its passenger rail safety responsibilities specified in statute on commuter rail, intercity rail, and urban rail transit lines.

(e) The Legislature may amend subdivisions (a) through (d) of this section by statute passed in each house of the Legislature by rollcall vote entered in the journal, four-fifths of the membership concurring, if the statute is consistent with, and furthers the purposes of, the Clean Air, Jobs, and Transportation Efficiency Act of 1994.

SECTION 15. Section 99316 of the Public Utilities Code is amended to read:

99316. *(a) Funds made available pursuant to subdivision (a) of Section 99315 shall be appropriated allocated to the department for allocation, as directed by the commission, committee, for purposes of bus and passenger rail services pursuant to Sections 14035, 14035.5, and 14038 of the Government Code, and maintenance and operation of all rail lines and stations owned by the department and by the joint powers authority established pursuant to Section 250000. The department shall request, and the commission's rail committee shall approve, sufficient funds to operate the same levels of revenue service miles of state-funded rail and associated feeder bus service in existence on the effective date of the Clean Air, Jobs, and Transportation Efficiency Act of 1994, and all proposed services authorized pursuant to that act and otherwise proposed by the department, subject to farebox recovery requirements of Section 14031.8 of the Government Code as modified by this section. For purposes of this section, the farebox recovery requirements for a route shall include the aggregate revenues and costs from all passenger trains operated on the route as a whole, including Amtrak trains not funded by the state, and excluding the cost of right-of-way acquisition and other capital costs. The department may request funding of up to 100 percent of long-term avoidable costs of new and expanded intercity rail services in order to facilitate implementation of those services.*

(b) The Legislature may amend subdivision (a) of this section by statute passed in each house of the Legislature by rollcall vote entered in the journal, four-fifths of the membership concurring, if the statute is consistent with, and furthers the purposes of, the Clean Air, Jobs, and Transportation Efficiency Act of 1994.

SECTION 16. Article 7.5 (commencing with Section 99385) is added to Chapter 4 of Part 11 of Division 10 of the Public Utilities Code, to read:

Article 7.5. Clean Air, Jobs, and Transportation Efficiency Act Subaccount of the Transportation Planning and Development Account

99385. *The People of the State of California find and declare all of the following:*

(a) An improved seamless multimodal transportation system is vital to strengthening the state's economy, creating jobs, and providing increased mobility, cleaner air, energy savings, and congestion relief.

(b) Public transportation must continue to be an important component of the statewide transportation system.

(c) Several recently enacted state and federal mandates have increased the demand for public transportation services, without concurrently increasing funding for these services. These mandates include the Americans with Disabilities Act of 1990 (P.L. 101-336), the federal Clean Air Act Amendments of 1990 (P.L. 101-549), the California Clean Air Act of 1988 (Ch. 1568, Stats. 1988), the applicable provisions of the federal Energy Policy Act of 1992 (P.L. 102-486), as well as other enactments which prescribe clean air standards. The State of California should provide funding to allow California's public transit operators to carry out these mandates.

(d) Electrification of public transportation and the use of clean fuels for public transportation provide substantial clean air and energy savings benefits.

(e) Preservation of passenger rail rights-of-way is vital to maintain and expand a system of rail transportation which can help meet California's transportation needs in the 21st Century.

99386. *For purposes of this article, the following terms have the following meanings:*

(a) "Committee" is the Rail Committee of the commission, created pursuant to Section 14502.5 of the Government Code.

(b) "Act" is the Clean Air, Jobs, and Transportation Efficiency Act of 1994, as defined in Section 99399.

(c) "Subaccount" is the Clean Air, Jobs, and Transportation Efficiency Act Subaccount, created pursuant to Section 99310.6.

99387. *(a) Funds shall not be allocated pursuant to this article for a project requiring service over the right-of-way of a railroad corporation unless a course of improvements and operation is agreed to by the railroad corporation or unless the right-of-way, or a part of the right-of-way, is acquired by eminent domain or purchase, or the right to use the right-of-way or its tracks is acquired by purchase or lease. New or increased passenger service over the right-of-way of a railroad corporation shall be implemented in a manner that ensures the adequacy and efficiency of existing freight service.*

(b) No specific amounts allocated pursuant to this article are intended to indicate the actual fair market value of any railroad right-of-way or trackage rights to be acquired or leased. Similarly, no specific amounts allocated for a specific project are intended to indicate the total costs to complete that project.

(c) All acquisitions or long-term leases of rights-of-way and trackage rights shall be considered capital outlay projects.

99388. *(a) The commission and the committee shall require each applicant for a grant pursuant to the act, including the department, to demonstrate in its application that if the grant funds being applied for are awarded, no other funds which were previously planned, programmed, or approved for public transportation purposes will be used for other than public transportation purposes.*

(b) Funds provided pursuant to the act may be used to satisfy any federal requirement for non-federal matching funds for the project to be funded.

(c) Consistent with the requirements of Section 99399.15, the requirements of Sections 99680 and 99683 shall apply to any funds granted pursuant to the act by the commission or the committee.

99389. *All funds in the subaccount are continuously appropriated without regard to fiscal years, notwithstanding Section 13340 of the Government Code, to the committee for allocation as required by this article.*

99390. *(a) Sixty-five percent of the revenues transferred to the subaccount in each fiscal year shall be available for the programs and projects specified in Section 99391.*

(b) Thirty-five percent of the revenues transferred to the subaccount shall be available in each fiscal year for transit operations, as provided in Section 99393.

(c) (1) Funds allocated to the purposes of subdivision (a) remaining at the end of each fiscal year shall be available only for the purposes of subdivision (a) in future years.

(2) Funds allocated to the purposes of subdivision (b) remaining at the end of each fiscal year shall be available only for the purposes of subdivision (b) in future years.

99391. (a) Funds available pursuant to subdivision (a) of Section 99390 shall be programmed and allocated by the committee as provided in this section. Funds shall also be available for acquisition of rolling stock for projects eligible for funding pursuant to this section.

(b) Electrification of publicly owned urban rail transit system lines and bus lines shall not be considered a precedent for electrification of other rail lines, including freight rail lines, by any regulatory agency.

(c) (1) The committee shall allocate funds authorized to be spent by subdivision (a) of Section 99390 to the following mass transportation projects of statewide significance. No funds available pursuant to this paragraph shall be expended for the acquisition of rail rights-of-way on or after January 1, 2000. Notwithstanding any other provision of law, all of the projects listed in this paragraph shall be funded regardless of whether they have been included in the State Transportation Improvement Program or a regional transportation improvement program.

(A) Five hundred thousand dollars (\$500,000) shall be made available to the department in cooperation with the National Park Service and local transportation agencies, to determine the feasibility of implementing rail service from Merced to Yosemite National Park via the State Highway Route 140 corridor.

(B) Three hundred fifty million dollars (\$350,000,000) shall be made available to the Los Angeles and Long Beach Harbor Commissions for track improvements, rail and roadway bridges, grade separations, interconnections, depressed trainways, centralized traffic control, environmental remediation, signal synchronization, and other improvements to the Alameda-San Pedro branch rail line connecting the Los Angeles and Long Beach Harbors with downtown Los Angeles and paralleling Alameda Street. Notwithstanding any other provision of law, and consistent with the authority granted to the department over grade separations along the line pursuant to the intent of subdivision (b) of Section 99624, the department and the Los Angeles and Long Beach Harbor Commissions shall be the only state and local agencies with authority to make decisions regarding the timing and necessity of grade separations along the Alameda-San Pedro branch line. These agencies shall consult with the joint powers agency established to represent cities along the line.

Notwithstanding any other provision of law, the Los Angeles and Long Beach Harbor Commissions may, in any requests for competitive bids or in any negotiations for contracts to construct and equip a consolidated rail corridor along the line and related on-dock container loading facilities, require potential bidders and contractors to offer and provide private financing for all or a portion of the costs of construction and equipping those corridor and related facilities.

(C) Five hundred million dollars (\$500,000,000) shall be made available to the San Francisco Bay Area-Los Angeles Rail Corridor Joint Powers Agency, created pursuant to Section 250000, for fast train intercity, tourist, commuter, and urban rail service between and to the San Francisco Bay Area, San Jose, Gilroy, Watsonville, Salinas, Santa Cruz, San Luis Obispo, Monterey, Santa Barbara, San Buenaventura, Burbank, and Los Angeles. Operation of fast train intercity rail services by the agency and maintenance of the line shall be funded from funds available to the department for intercity rail service operations, and shall be given equal priority for funding with other intercity rail service operations. High priority shall be given to immediately providing funds to Amtrak to operate at least a second daily frequency on the Coast Starlight route, and additional local intercity trains from San Luis Obispo to Los Angeles. As used in this subpara-

graph, "fast train intercity service" means passenger rail service capable of attaining speeds of 110 miles per hour. It shall be the goal of the state to provide fast train intercity service between Los Angeles and the San Francisco Bay Area via coastline communities by the year 1999. The funds available pursuant to this subparagraph shall be allocated as follows:

(i) Not more than two hundred million dollars (\$200,000,000) for the acquisition of railroad rights-of-way. A joint appraisal of the value of the rights-of-way to be acquired from Gilroy to the Ventura-Los Angeles County line shall be conducted by the joint powers agency and the affected railroad. Up to two hundred thousand dollars (\$200,000) may be allocated by the agency for purposes of this appraisal.

(ii) Not more than three hundred million dollars (\$300,000,000) for track and other capital improvements.

(iii) Not more than one hundred million dollars (\$100,000,000) for the acquisition of rolling stock capable of attaining speeds of 110 miles per hour, and other necessary equipment. The rolling stock and other equipment acquired pursuant to this subparagraph shall be the equipment and rolling stock designed to meet the requirements of Sections 99603 and 99649, appropriately modified to meet the speed requirements of this subparagraph.

(D) Five grants of up to five hundred thousand dollars (\$500,000) each shall be made available not later than June 30, 1995, on a competitive basis to transit operators, subject to the approval of the appropriate regional transportation planning agency or county transportation commission, serving at least one urbanized area with a population of at least 100,000 that is not currently served or programmed to be served by a light rail system, to determine the feasibility of implementing such a system and to identify the most promising potential light rail corridors.

(E) One million dollars (\$1,000,000) to the Metropolitan Transportation Commission to determine the feasibility of restoring rail service to the Oakland-San Francisco Bay Bridge without reducing the capacity of the bridge for automobile traffic.

(F) Two hundred million dollars (\$200,000,000) to the Peninsula Commute Service Joint Powers Board for the extension of CalTrain service to a downtown San Francisco terminal at or in the immediate vicinity of the Transbay Terminal. The goal of CalTrain service shall include headways of thirty minutes or less during the day and during and between commute periods. The downtown San Francisco terminal shall be designed so as not to preclude any future high speed rail service.

(G) Not less than 5 percent of the funds available pursuant to subdivision (a) of Section 99390 shall be allocated annually to the department for capital outlay projects to improve intercity passenger rail service. These funds shall be in addition to other funds specified in this section for intercity rail projects.

(H) One hundred forty million dollars (\$140,000,000) shall be allocated to the department and local agencies for the acquisition of rights-of-way and trackage rights which are important for present or future passenger rail service in the reasonably near future.

(I) Sixty million dollars (\$60,000,000) shall be allocated to the department for the improvement of the Los Angeles-Orange County-San Diego passenger rail corridor.

(J) Seventy million dollars (\$70,000,000) shall be allocated to the county transportation commissions of Riverside and San Bernardino Counties, based on

their respective populations, for capital outlay projects for the improvement of intercity and commuter rail service serving Riverside and San Bernardino Counties.

(K) Five million dollars (\$5,000,000) shall be allocated to the department for the restoration of rail service between San Diego and Imperial Counties.

(L) Five hundred thousand dollars (\$500,000) shall be allocated to the department to undertake a feasibility study of expanded intercity rail service between Sacramento, Redding, and the City of Mt. Shasta. Upon completion of that study using these or other funds, any remaining funds allocated by this subparagraph can be used to implement the service.

(M) Five hundred thousand dollars (\$500,000) shall be allocated to the department to undertake a feasibility study of expanded intercity rail service between Calexico and Los Angeles via the Coachella Valley and Riverside. Upon completion of that study using these or other funds, any remaining funds allocated by this subparagraph can be used to implement the service.

(N) Twenty million dollars (\$20,000,000) shall be allocated to the Port of Oakland for the construction of the Joint Intermodal Terminal to facilitate the loading and rail shipment of containerized goods from port facilities.

(2) The committee shall program the funds authorized to be spent pursuant to subdivision (a) of Section 99390 that are not required for projects authorized pursuant to paragraph (1) to the recipient agencies listed in this paragraph, based on their share of the state population within their boundaries. The committee shall use population figures provided by the Department of Finance. Unless inconsistent with the act, applications for grants pursuant to this paragraph shall comply with the requirements of Chapter 4 (commencing with Section 99660) of Part 11.5, as applicable to this paragraph, except that Section 99665 shall not apply to applications for grants. The selection of rail stations for the passenger rail projects funded pursuant to this paragraph shall to the greatest extent practicable be located and designed to maximize access to and from the stations by modes other than the automobile, and to promote transit use within highly urbanized areas.

After January 1, 2010, recipient agencies may propose changes to the priorities described in the paragraphs that apply to those agencies, and the committee may approve the changes if they are consistent with the other requirements and purposes of this paragraph and the act. Where priorities are established within recipient agencies with respect to projects or programs, funds available in each year pursuant to this paragraph shall go to fund projects or programs identified as highest priority that have a need for funds in that year. Funds may be allocated to lower priorities, and thereafter to the priorities specified below, if the higher priorities do not have a need for funds in that year, as determined by the recipient agency. Unless separate priorities are specified in this paragraph for a recipient agency, all agencies receiving funds pursuant to this paragraph shall receive funds for projects in the following order of priority.

First priority shall be given to electrification projects, and to urban rail transit, commuter, and intercity rail capital outlay projects. Second priority shall be given to acquisition of clean fuel buses and rail rolling stock, and electric buses and urban rail transit vehicles. Third priority shall be given to the projects and purposes authorized by subdivisions (b), (d), (f), (g), (h), and (i) of Section 7103 of the Revenue and Taxation Code, and transit operations pursuant to subdivision (b) of Section 99390. Funds available pursuant to this paragraph in each year shall be allocated to fund projects or programs identified as highest

priority that have a need for funds in that year. Funds may be allocated to lower priorities if the higher priorities do not have a need for funds in that year, as determined by the recipient agency.

The committee shall determine that the expenditure of the funds pursuant to this paragraph will, to the maximum extent practicable, further the goal of providing a fully integrated bus, rail, air, and waterborne transit system that increases passenger convenience and complements the state's substantial existing transportation investments.

(A) San Diego Association of Governments. The following projects shall receive equal high priority for funding:

(i) A tunnel or other projects to increase the speed of commuter rail service in San Diego County.

(ii) Expansion of light rail service.

(B) Imperial County Board of Supervisors.

(C) Orange County Transportation Authority. The first priority for funding shall be for the design, engineering, and construction of an initial segment of an urban rail transit system within Orange County.

(D) Riverside County Transportation Commission. The following projects shall receive the same highest priority for funding: capital improvements and rolling stock on the passenger rail lines between Riverside and San Jacinto, between Riverside and Irvine, between Riverside and Fullerton, and between Riverside and Los Angeles via Ontario.

(E) San Bernardino County Transportation Commission.

(F) Los Angeles County Metropolitan Transportation Authority. No more than ten percent of the annual allocation to the authority pursuant to this paragraph shall be for the Red Line extension, regardless of the priorities set by the authority pursuant to clause (ii).

(i) Extension of the Blue Line light rail line from Los Angeles to East Pasadena in the San Gabriel Valley shall receive the highest priority in funding.

(ii) Second priority shall be given to construct and extend urban rail transit lines, and for construction of and acquisition of rolling stock and equipment for electric trolley bus lines and electric bus lines. The authority shall establish the priority order of expenditures pursuant to this clause.

(G) Ventura County Transportation Commission. First priority for funding shall be for extension to the City of San Buenaventura of existing commuter rail service.

(H) Santa Barbara County Association of Governments.

(I) San Luis Obispo County Council of Governments.

(J) A joint application submitted by the regional transportation planning agencies of Santa Cruz, San Benito, and Monterey Counties, or separate applications from any one of these counties if the proposed projects are specific to one county.

(K) A joint application submitted by the regional transportation planning agencies of Kern, Tulare, Kings, Fresno, Madera, Merced, Stanislaus, and San Joaquin Counties. Improvements to the intercity rail transportation corridor connecting Bakersfield and Stockton shall receive highest priority for funding. The committee shall award funds to the appropriate agencies to undertake a study of intercity rail transportation service on the rail route between Exeter and Huron, including Visalia, Hanford, and other intermediate points, and shall award funding to implement the service if it is found by the committee to be feasible from financial and engineering perspectives.

(L) A joint application submitted by the regional transportation planning agencies of Tuolumne, Amador, Calaveras, Mariposa, Inyo, Mono, and Alpine Counties.

(M) Sacramento Area Council of Governments.

(i) Highest priority for funding shall be to the Sacramento Regional Transit District to extend light rail service south from Sacramento, serving Sacramento City College.

(ii) Second priority shall be given equally to the extension of light rail service to Antelope Road, Folsom, and Sacramento Metropolitan Airport.

(iii) Third priority shall be given equally to the extension of light rail service from Antelope Road to Roseville, provision of passenger rail service from Sacramento to Colfax, Davis, Truckee, Woodland, and Marysville-Yuba City and to acquisition of a rail right-of-way from Folsom to Placerville.

(N) A joint application submitted by the regional transportation planning agencies of El Dorado, Yolo, Placer, Nevada, Sutter and Yuba Counties. Highest priority shall be given equally to the extension of light rail service from Antelope Road to Roseville, provision of passenger rail service to Sacramento from Colfax, Davis, Truckee, Woodland, and Marysville-Yuba City, and to acquisition of a rail right-of-way from Folsom to Placerville.

(O) A joint application submitted by the regional transportation planning agencies of Colusa, Glenn, Butte, Tehama, Shasta, Trinity, Lake, and Siskiyou Counties.

(P) A joint application submitted by the regional transportation planning agencies of Sierra, Plumas, Modoc, and Lassen Counties.

(Q) A joint application submitted by the regional transportation planning agencies of Del Norte, Humboldt, and Mendocino Counties. The first priority for funding shall be the rehabilitation of the rail lines owned by the North Coast Railroad Authority.

(R) Metropolitan Transportation Commission. Of the funds received by the Metropolitan Transportation Commission, two million dollars (\$2,000,000) a year, increasing at a rate equal to the rate of increase in the Consumer Price Index, may be used to fund projects and studies related to improving the efficiency of public transit. This subparagraph shall not be interpreted in a way which promotes privatization of public transit systems.

(i) The following projects shall receive equal highest priority in funding:

(I) Construction or improvement of a passenger rail corridor connecting the Santa Clara County light rail system and a station on the San Francisco Bay Area Rapid Transit District-Fremont line.

(II) A high priority light rail line identified by the San Francisco Public Utilities Commission.

(III) A high priority light rail line identified by the Alameda-Contra Costa Transit District's light rail corridor study.

(IV) Rehabilitation of the San Francisco Bay Area Rapid Transit District's existing fleet of rolling stock.

(V) The "Metro East" light rail maintenance and storage facility in San Francisco.

(VI) A high priority light rail project identified by the Santa Clara County Transit District.

(ii) After the projects in clause (i) are completed, further expenditures for additional public transportation projects, including exclusive public mass transit guideways, shall be for priorities adopted by the Metropolitan Transportation

Commission, consistent with the requirements of this clause. Any expenditures pursuant to this clause for passenger rail projects shall be made according to the following equal priorities: (1) cost effectiveness of the project measured in terms of least cost per new transit rider, (2) rehabilitation and other operational improvements to existing passenger rail service, (3) projects that have the lowest percentage of trips to and from the stations by automobile, and (4) projects which promote transit use within highly urbanized areas.

(3) (A) Notwithstanding any other requirement of this section, the committee may allocate not more than ten percent of the funds available annually pursuant to subdivision (a) of Section 99390, at the request of the department, for construction of a new, separate, high-speed intercity passenger main rail line connecting Los Angeles, Bakersfield, Fresno, and San Jose, with connections to San Francisco via the CalTrain corridor, and connections to Oakland. Funding may also be allocated for construction and operation of a new, separate, high-speed intercity passenger rail line connecting the main line to Stockton and Sacramento. These funds shall be deployed in a manner that maximizes private investment in that line. As used in this paragraph, "high-speed" train service means passenger rail service that attains a speed of at least 150 miles per hour.

It shall be the goal of the state to provide high-speed train service, if sufficient funds become available, between Los Angeles and the San Francisco Bay Area via the San Joaquin Valley by the year 2010. The committee shall determine whether to allocate funds pursuant to this paragraph not later than December 31, 1998, but the timing of the allocation of the funds shall be at the discretion of the committee.

(B) The committee may allocate not more than twenty million dollars (\$20,000,000) per year of the funds available annually from the transit capital improvement program established pursuant to Section 99317 for not more than thirty years for the purposes of subparagraph (A). The allocation made pursuant to this subparagraph shall commence at the discretion of the committee, if the committee decides to allocate funds pursuant to subparagraph (A).

99391.7. (a) For urban rail transit projects as defined in Section 164.50 of the Streets and Highways Code, the state funding share provided pursuant to Section 99391 shall be 100 percent for the first fifteen million dollars (\$15,000,000), increasing at a rate equal to the rate of increase in the Consumer Price Index, per mile of new construction. For the portion of costs of urban rail transit projects in excess of fifteen million dollars (\$15,000,000) per mile, increasing at a rate equal to the rate of increase in the Consumer Price Index, the committee shall require 50 percent funding from nonstate sources.

(b) Intercity and commuter rail projects shall not require any matching nonstate funds.

(c) Notwithstanding any other provision of law, or the requirements of subdivision (a), funds received pursuant to this article by a local agency may be used to meet the matching fund requirements of Part 11.5 (commencing with Section 99600).

99393. (a) Funding pursuant to subdivision (b) of Section 99393.4 shall be available only for allocation to transit operators in an "area" of "apportionment", as those terms are used in Section 99231, that has remaining transit needs after local transportation funds and state transit assistance funds have been fully allocated to transit purposes. All funds that are not allocated for transit operations pursuant to this section shall be transferred for allocation pursuant to

Section 191.1 of the Streets and Highways Code for highway-railroad grade separations, as provided by that section.

(b) The committee shall notify the Controller of the amount of funding required for transit operating needs of statewide significance pursuant to subdivision (a) of Section 99393.4. The Controller shall apportion the remaining funds pursuant to subdivision (b) of Section 99393.4. The Controller shall estimate revenue likely to be received by agencies receiving funding pursuant to Section 99393.4 and provide this information to the agencies.

(c) First priority in the expenditure of funds by local operators pursuant to paragraphs (1) and (2) of subdivision (b) of Section 99393.4 shall be for meeting the needs of disabled persons pursuant to the requirements of the federal Americans with Disabilities Act (P.L. 101-336); for the continuance of paratransit services provided pursuant to the provisions of Chapter 4 (commencing with Section 99200) to persons 65 years of age or older; for prevention of crime, gang activity, and graffiti on public transit systems and vehicles; and for increasing the efficiency and cost effectiveness of transit system operations. This subdivision shall not be interpreted in a way that promotes privatization of public transit systems.

(d) At least 90 percent of all funds received by any agency pursuant to this section shall be expended to provide direct transit service to the public, consistent with the other requirements of this section.

99393.1. In order to receive an allocation for transit operating funds pursuant to Sections 99313, 99314, and 99393, a transit operator shall be required to be in compliance with all of the following, except that the committee, after a public hearing, may waive or modify the requirements of all or part of subdivisions (b) and (c) on a substantial showing by the operator that either or both of these requirements are financially or otherwise infeasible. The committee may delegate its power to waive these requirements as they apply to transit operators that are entirely within the jurisdiction of a single transportation planning agency to that transportation planning agency. Guidelines governing the implementation of this section shall be adopted by the committee in consultation with regional transportation planning agencies and operators and public transit users.

(a) The operator has adopted and is implementing an anti-graffiti policy which has as a goal that no transit vehicle containing any graffiti is dispatched at the beginning of a service day unless the graffiti has first been removed.

(b) The operator offers free transfers on payment of a regular fare valid for use on its system for a minimum of 90 minutes.

(c) The operator offers a day pass, a monthly pass, and an annual pass valid for unlimited rides on its system for the time specified. Passes may be offered for one or more zones, in addition to the operator's entire system. Operators shall accept credit cards and provide a billing option for discounted annual passes. This subdivision shall apply only to operators with average daily weekday ridership of more than 5,000 unlinked trips, and not to operators whose fare structures are based on distance.

(d) The operator accepts the California Pass authorized pursuant to Section 14036.6 of the Government Code for travel on its system without requiring payment of an additional fare.

(e) Free transfers shall be offered to transit customers connecting from an urban rail transit or commuter rail line to a local bus system serving a rail station. Rail and bus operators shall be reimbursed for their reasonable costs of providing and accepting rail-to-bus transfers from funds eligible for allocation for this

purpose by the appropriate transportation planning agency, county transportation commission, or transit development board. Each allocating agency, as appropriate, shall establish guidelines governing the implementation of this subdivision, including the amount of reimbursement to operators. Operators of bus systems shall have as a goal to coordinate bus schedules to maximize timely connections between buses and trains.

(f) At the request of a campus of the University of California, the California State University, a community college, or any other institution of higher learning, a transit operator shall enter into an agreement with the university, college, or institution to provide unlimited use of its system at no charge to students with a valid registration card in exchange for a regular lump-sum payment by the university, college, or institution to the operator sufficient to cover the costs to the operator of the agreement. The implementation of the agreement shall be a high priority for use of parking fees and parking penalties received by a college campus.

(g) The operator offers at least a 50 percent discount from the regular fare, rounded to the nearest quarter dollar, to persons 65 years of age and older, and to disabled persons, at a minimum during off-peak travel periods on service available to the general public. The committee, after a public hearing, may waive or modify the requirements of Sections 99268.3, 99268.4, and 99268.9, whichever are applicable, if compliance with this subdivision causes violation of the applicable farebox recovery requirements.

(h) The operator of a passenger rail service has adopted and is implementing a highway-railroad grade crossing safety program that includes the use of automated enforcement technology at grade crossings with 5,000 or more average weekday vehicle crossings to reduce accidents, fatalities, and injuries at grade crossings. The operator shall agree to acquire and implement this technology at existing grade crossings not later than December 31, 2000, and at new grade crossings at the time of construction. Acquisition and implementation of this technology may be funded by funds provided to operators pursuant to Sections 99390, 99391, and 99393. The committee may waive this requirement at individual highway-railroad grade crossings on a showing by the operator that the requirement is not necessary in order to reduce accidents, fatalities, and injuries at that grade crossing.

99393.3. Funding for transit operations available pursuant to this article shall not be allocated to any area of apportionment where a finding has been made by the transportation planning agency pursuant to Section 99401.5 that there are either no unmet transit needs or no unmet transit needs that are reasonable to meet within that jurisdiction. As used in this section, "area" has the same meaning as in Section 99231.

99393.4. (a) Funds available pursuant to Section 99393 shall be allocated first to the following programs of statewide priority:

(1) Upon a finding that the National Park Service will implement a plan to restrict entry of private vehicles into Yosemite Valley, other than those carrying persons with confirmed camping reservations and disabled persons, such funds as are necessary, but not exceeding four million dollars (\$4,000,000) per year, increasing at a rate equal to the rate of increase in the Consumer Price Index, to operate a frequent and convenient public transportation system within the park, connecting the City of Merced with Yosemite Valley, shall be made available to the department for allocation to the National Park Service. In order to be eligible to receive funds pursuant to this paragraph, the National Park Service shall

maintain a level of funding for public transit service at least equal to the funding provided in 1993-94, increasing at a rate equal to the rate of increase in the Consumer Price Index, for the park shuttle services.

(2) Upon a finding that the Tahoe Transportation District authorized pursuant to Section 66801 of the Government Code has been activated, funds not exceeding one million dollars (\$1,000,000) per year, increasing at a rate equal to the rate of increase in the Consumer Price Index, shall be available for a unified transit system serving the California portion of the Lake Tahoe Basin and the City of Truckee. In order to be eligible to receive an allocation of funds pursuant to this paragraph, the Tahoe Transportation District shall certify to the committee that it is scheduled to receive all of the local transportation funds and state transit assistance funds eligible to be used for public transit purposes that are apportioned to its area.

(b) Of the remaining funds available pursuant to Section 99393, the funds shall be distributed as follows:

(1) One-third of the funds shall be allocated by the Controller pursuant to the formula set forth in Section 99313.

(2) One-third of the funds shall be allocated by the Controller pursuant to the formula set forth in Section 99314.

(3) (A) Notwithstanding the priorities set forth in subdivision (c) of Section 99393, one-third of the funds shall be allocated by the Controller using the formula set forth in Section 99313, and shall be used to increase the frequency of service along routes that have the greatest potential to increase ridership if that service frequency is increased. Eligible projects shall include only bus and urban rail transit routes that have basic weekday service frequency of not less than 30 minutes and commuter rail routes that have basic weekday service frequency of not less than 60 minutes during peak hours. On rail routes, frequency augmentations may take place at hours other than the peak if it is determined that frequency augmentations will increase the overall passenger utilization of the service. If it is not practicable to use the funds for this purpose, they shall be used to increase the frequency of basic weekday service on bus and rail routes that have the greatest potential to increase ridership if the service frequency is increased. Allocations made pursuant to this paragraph may include funds necessary for increases in paratransit service, as required by the federal Americans with Disabilities Act (P.L. 101-336), that are complementary to the service provided as a result of the allocation.

The committee shall adopt guidelines for the distribution of these funds by the recipient agencies, based on public hearings, to implement this subdivision. The guidelines shall prescribe methods for evaluating the success of programs funded pursuant to this paragraph in increasing ridership. The committee shall ensure that multi-county or multi-agency rail commuter systems are included in the guidelines with equal standing with bus and rail operators included within each agency or region.

(B) Funds allocated pursuant to subparagraph (A) to increase service frequency shall continue to be allocated to the same programs in succeeding years if the programs increase and sustain ridership to or near levels at least as high as projected in the original grant application.

(c) All administrative and eligibility provisions applicable to the State Transit Assistance program shall be applicable to the funds allocated pursuant to this section, including, but not limited to, the provisions in Sections 99312.7, 99313.6,

99313.7, 99314.3, 99314.6, and 99314.7, as applicable. The funds from this section shall be deposited in special subaccounts of the state transit assistance funds created pursuant to Section 99313.6.

99393.5. Local public agencies that acquire or have acquired rail rights-of-way with state funding participation shall, if those lines are used jointly for commuter and intercity rail services, work cooperatively with the department and Amtrak to properly schedule all trains in accordance with scheduling practices adopted by major railroads for similar corridors.

Where commuter service exists, intercity trains shall generally be scheduled to serve a minimum number of intermediate stops and shall normally run on a regular schedule. Local agencies, the department, and Amtrak shall consult with one another prior to making scheduling decisions. Unresolved disputes between local agencies, and between local agencies and the department shall be arbitrated through a procedure approved by the committee. No party advocating one of the disputed positions shall be designated an arbitrator in the mediation efforts. Local agencies shall also provide access to ticket machines for intercity ticket sales, on such terms as the parties may agree, unless such access subjects the agencies to additional federal regulation. Commuter and intercity service shall be operated in a manner that maximizes public convenience.

99396. All capital outlay funds allocated by the committee or the commission, and all capital outlay funds expended by the department shall be subject to the requirements of this section.

(a) The department, in expending capital outlay funds, and any public agencies receiving capital outlay funds from the commission, the committee, or the department may not expend more than 20 percent of those funds on administrative overhead. At least 80 percent of those funds received must be spent on actual project construction, including acquisition of rights-of-way. The committee, the commission, and the department shall prepare a report showing the amount of the capital outlay funds saved through implementation of this section.

(b) The Controller shall annually audit compliance with the requirements of subdivision (a) by the department and any other agencies receiving capital outlay funds. The commission shall advance to the Controller the costs estimated by the Controller in performing the audits for the ensuing fiscal year and for the other costs incurred by the Controller pursuant to the act. If the Controller finds that the department or another agency receiving capital outlay funds has not complied with the requirements of subdivision (a), the Controller may take any necessary action, including litigation, issuing a direct order, or offsetting any funds expended in violation of this section in subsequent fiscal years, pursuant to Section 12419.5 of the Government Code. The Controller may also adopt regulations to further define "administrative overhead" as used in this section. The adoption and amendment of regulations pursuant to this subdivision shall not be subject to the requirements of Article 5 (commencing with Section 11346) of Chapter 3.5 of Part 1 of Division 3 of Title 2 of the Government Code.

(c) If there is any conflict between this section and Section 14524.16 of the Government Code, this section shall prevail.

99397. (a) The committee may request the Treasurer to sell, and the Treasurer may sell, revenue bonds secured by the revenues allotted to capital outlay projects pursuant to this article on a schedule that will provide the funds when needed as identified in the program described in this article, including the funds identified

in subparagraph (B) of paragraph (3) of subdivision (c) of Section 99391. Nothing in this section authorizes the sale of general obligation bonds without a vote of the people.

(b) The recipient agencies named in subdivision (c) of Section 99391 may request the committee to request the Treasurer to sell revenue bonds for the construction of projects funded pursuant to that subdivision consistent with a reasonable assumption about revenues that would be allocated to that regional agency, and the committee may make that request if it is consistent with the requirements of subdivision (a) and the remainder of the act.

99398. (a) This section shall not become operative if a general obligation bond act primarily for rail or other transportation purposes appears on the General Election or other statewide ballot in November 1994.

(b) (1) Notwithstanding Section 13340 of the Government Code or any other provision of law, the first 20 percent of revenue available each year from the Retail Sales Tax Fund derived from the additional tax imposed by Sections 6052 and 6201.8 of the Revenue and Taxation Code, pursuant to Section 7103 of the Revenue and Taxation Code, is continuously appropriated to the committee without regard to fiscal years to meet programming commitments made by the commission in the 1992 State Transportation Improvement Program that were intended to have been funded by general obligation bonds issued pursuant to Article 1 (commencing with Section 2703) of Chapter 19 of Division 3 of the Streets and Highways Code.

(2) When a total of one billion dollars (\$1,000,000,000) has been made available to the committee pursuant to this section, all revenues available pursuant to Section 7103 of the Revenue and Taxation Code shall be allocated as provided by that section, and this section shall be inoperative. The State Board of Equalization, in consultation with the Controller, shall adopt regulations to implement this subdivision. The adoption and amendment of regulations pursuant to this subdivision shall not be subject to the requirements of Article 5 (commencing with Section 11346) of Chapter 3.5 of Part 1 of Division 3 of Title 2 of the Government Code.

(c) Notwithstanding Section 99391 and any other provision of law, if this section takes effect, the committee shall, with the funds remaining after the implementation of subdivision (b), give first priority to funding the projects designated in paragraph (1) of subdivision (c) of Section 99391, before funding projects and programs in subdivisions (b) through (i), inclusive, of Section 7103 of the Revenue and Taxation Code and paragraphs (2) and (3) of subdivision (c) of Section 99391.

99398.1. The Legislature may amend this article, by statute passed in each house of the Legislature by rollcall vote entered in the journal, four-fifths of the membership concurring, if the statute is consistent with, and furthers the purposes of, the act. However, the Legislature may not amend subdivision (c) of Section 99388; Sections 99389, 99390, 99391, 99391.7, and 99393.3; subdivision (a) of Section 99393.4; Section 99398; or this section.

SECTION 17. Article 7.6 (commencing with Section 99399) is added to Chapter 4 of Part 11 of Division 10 of the Public Utilities Code, to read:

Article 7.6. General Provisions Applicable to the Clean Air, Jobs, and Transportation Efficiency Act of 1994

99399. *The Clean Air, Jobs, and Transportation Efficiency Act of 1994 consists of Sections 14502.5 and 29531 of the Government Code; Section 25619 of the Public Resources Code; Sections 99232, 99310.5, 99310.6, 99310.7, 99310.8, 99310.9, 99311,*

99312, 99315.5, and 99316 of, and Article 7.5 (commencing with Section 99385) of Chapter 4 of Part 11 of Division 10 of, Article 7.6 (commencing with Section 99399) of Chapter 4 of Part 11 of Division 10 of, and Division 26 (commencing with Section 250000) of, the Public Utilities Code; Sections 97.055, 6052, 6201.8, 6480.1, 7102, and 7103 of the Revenue and Taxation Code; and Sections 164.561, 191.1, 195, 196, 197, 199.12, 199.13, 199.14, and 894.5 of the Streets and Highways Code. For purposes of this article, "act" means the Clean Air, Jobs, and Transportation Efficiency Act of 1994.

99399.1. (a) It is the intent of the People in approving the act that should any statute or amendment to the Constitution be approved on November 8, 1994, that could prevent this act from taking effect, this act shall go into effect, regardless of the passage of any such statute or constitutional amendment, and regardless of the number of votes received by any measure on the November 8, 1994, ballot.

(b) The act shall take effect notwithstanding any other provision of law.

(c) It is the express intent of the voters that the act shall take effect and become operative at 12:01 a.m. on November 8, 1994.

(d) It is the express intent of the voters that the act shall take effect and become operative even if the Constitution is amended at the November 8, 1994, election to prohibit or restrict the enactment of new taxation.

99399.2. If any provision of the act or the application thereof is held invalid, the invalidity shall not affect other provisions or applications of the act that can be given effect without the invalid provision or application, and to this end the provisions of this act are severable.

99399.3. For purposes of the act, the following terms have the following meanings, unless expressly stated otherwise:

(a) "Account" is the Transportation Planning and Development Account in the State Transportation Fund, as continued and created in Section 99310, unless another account is specifically named.

(b) "Administrative overhead" is all noncapital costs incurred through the award of a construction contract. These costs include the costs incurred by outside contractors. With respect to the department, "administrative overhead" includes the prorated share of distributed departmental administration, as identified in the Governor's proposed budget, attributable to project development activities. The calculation of the prorated share of departmental administration shall exclude tort payments, the costs of legal services associated with those payments, and the costs associated with projects for which the department has provided design oversight only, or has not been the responsible agency for project design. In any conflict between this subdivision and its application, and the provisions of Section 14524.16 of the Government Code, the provisions of this subdivision shall prevail.

(c) "Committee" means the Rail Committee of the California Transportation Commission, established pursuant to Section 14502.5 of the Government Code.

(d) "Electrification" means the conversion of bus lines to electrical operation and the creation of new electrically powered bus lines through the purchase of electric vehicles, and the installation of equipment allowing electrically operated buses to have access to a central electric power system. Electrification also means the construction of new electrically powered urban rail transit passenger transportation systems, including acquisition of rolling stock, related infrastructure, and rights-of-way to provide such service. Electrification also includes the acquisition of electric vehicles used to transport the public to and from rail stations.

(e) "Light rail" means an urban rail transit project that uses surface streets or a dedicated right-of-way, but excludes commuter rail and intercity rail projects.

(f) "Mass transportation" means public transportation services and facilities normally provided to or offered to the general public, and services and facilities funded pursuant to subparagraphs (B), (K), and (N) of paragraph (1) of subdivision (c) of Section 99391 and subparagraph (Q) of paragraph (2) of subdivision (c) of Section 99391, and does not include services available only to a restricted group or category of persons, except for community transit services as defined in Section 99275. "Mass transportation" includes public transportation systems, and transportation services for any group, as determined by the transportation planning agency, requiring specialized transportation assistance, as provided in subdivisions (c), (d), and (e) of Section 99400.

(g) "Rail" means projects using standard railroad technology or urban rail transit technology, using tracks consisting of two parallel rails and rolling stock riding on top of the rails. "Rail" also means other urban rail transit technology utilizing rails or monorails if the technology is proven in urban operation.

(h) "Right-of-way" means right-of-way for rail purposes, including separate right-of-way alignments adjacent to existing freight lines.

(i) "State Highway Account" is the State Highway Account in the State Transportation Fund.

(j) "Subaccount" means the Clean Air, Jobs, and Transportation Efficiency Act subaccount of the Transportation Planning and Development Account, established pursuant to Section 99310.6.

(k) "Urban rail transit" is as defined in Section 164.50 of the Streets and Highways Code.

(l) Unless otherwise defined in the act, the definitions in subdivisions (a), (b), (c), (d), (e), (h), (i), and (k) of Section 99602 shall apply to this act. In the case of conflict between the definitions of Section 99602 and this section, the definitions in this section shall prevail as to this act.

99399.4. The act shall be liberally construed to further its purposes, especially with respect to carrying out the intent of the voters expressed in Section 99399.1.

99399.5. Any conflict between a provision in the act and any other provision of law in existence prior to the effective date of the act shall be resolved in favor of the provision in this act.

99399.6. Any ambiguity or uncertainty with respect to the act shall be resolved in a manner that is consistent with the intent and purposes of the act, as expressed in Section 99399.10.

99399.7. Every project undertaken pursuant to the act shall comply with the California Environmental Quality Act, Division 13 (commencing with Section 21000) of the Public Resources Code.

99399.8. The act shall be implemented in the most expeditious manner. All state and local officials shall implement this act to the fullest extent of their authority.

99399.9. Section 5358 of the Elections Code does not apply to the act. The intent of this section is to assure that the act can be carried out in an orderly and comprehensive manner.

99399.10. The purpose of the act is to provide funds for public transportation construction and operation; to protect transportation funding sources from being diverted for nontransportation purposes; to increase the safety and convenience of the public, the disabled and elderly in their use of California public transportation systems; to reduce the cost of administrative overhead in building

transportation systems; to save energy and improve air quality by providing a more efficient transportation system as an alternative to the single passenger vehicle; and to provide jobs and economic development through development and operation of public transportation facilities throughout California.

99399.11. Construction projects or works of improvement for facilities that are paid for in part or in whole using funds from the subaccount or provided by subdivision (c) of Section 7103 of the Revenue and Taxation Code shall be considered public works projects subject to Chapter 1 (commencing with Section 1720) of Part 7 of Division 2 of the Labor Code and shall be enforced by the Department of Industrial Relations in the same manner in which it carries out this responsibility under the Labor Code.

99399.14. The allocation of a grant or grants to a state or local agency for a particular project or program pursuant to any provision of this act shall not preclude eligibility for an additional allocation of grant funds to the same state or local agency pursuant to other provisions of this act or any other provision of law, for the same project or program or a different project or program.

99399.15. Any commuter or intercity rail cars purchased with state funds shall be designed to accommodate a minimum of four bicycles per car. The design shall allow seating for passengers in the space designated for bicycles if the space is not needed for bicycles. This section is consistent with the intent of Section 99683, and is not in conflict with that section.

99399.16. The Legislature may amend Sections 99399.11, 99399.14, and 99399.15, by statute passed in each house of the Legislature by rollcall vote entered in the journal, four-fifths of the membership concurring, if the statute is consistent with, and furthers the purposes of, the act.

99399.17. Any state or local agency that expends any capital outlay funds appropriated by this act shall in the expenditure of those funds, to the maximum extent practicable, utilize the services of the California Conservation Corps and local community conservation corps as defined in Section 14507.5 of the Public Resources Code, or as certified to be eligible by the California Conservation Corps.

SECTION 18. Division 26 (commencing with Section 250000) is added to the Public Utilities Code, to read:

**DIVISION 26. SAN FRANCISCO BAY AREA-LOS ANGELES
RAIL CORRIDOR JOINT POWERS AGENCY**

250000. (a) The Counties of Los Angeles, Monterey, San Benito, San Luis Obispo, Santa Barbara, Santa Clara, Santa Cruz, and Ventura shall form the San Francisco Bay Area-Los Angeles Rail Corridor Joint Powers Agency for the purposes of acquiring, constructing, and operating a fast train intercity, tourist, commuter, and urban rail corridor between the San Francisco Bay area and Los Angeles. Each county shall have one vote on the agency's board. Each county shall be represented on the agency's board by its regional transportation planning agency, or county transportation commission in counties with commissions, or the board of supervisors in other counties in regions with statutorily created multi-county regional transportation planning agencies. It shall be the goal of the joint powers agency to establish fast train intercity passenger rail service capable of transporting passengers between the San Francisco Bay area and Los Angeles in less than six hours. Funds previously designated pursuant to Part 11.5 (commencing with Section 99600) of Division 10 for the member counties of the joint powers agency may also be utilized for this purpose, and for the purpose of urban rail systems between Watsonville Junction and Santa Cruz,

and between Monterey and the main coast line. The agency shall coordinate with the Department of Transportation, Amtrak, the Association of Monterey Bay Area Governments, and transportation agencies and operators representing the Counties of Alameda, Contra Costa, and San Mateo and the City and County of San Francisco in order to assure appropriate interconnections with other rail and bus service.

(b) The San Francisco Bay Area-Los Angeles Rail Corridor Joint Powers Agency shall have the following powers:

(1) To acquire real and personal property of every kind for passenger rail purposes by grant, gift, devise, lease, purchase or eminent domain, and to hold, use, sell, lease, or transfer that property.

(2) To enter into any contract necessary to carry out its powers including any contract with the Department of Transportation, Amtrak or any private entity to operate train service.

(3) To establish or change rates, charges, and services. The Public Utilities Commission shall have no jurisdiction over the joint powers agency or any of its activities except as to matters of public safety.

(4) To apply for and receive additional local, state, and federal funds for passenger rail purposes.

(5) To indemnify and defend any railroad corporation, regardless of its negligence, that operates passenger rail services for the joint powers agency pursuant to contract.

(6) To appoint an executive officer, and to employ staff and legal counsel.

(7) To sue and be sued.

(c) The Legislature may amend subdivisions (a) and (b) of this section by statute passed in each house of the Legislature by rollcall vote entered in the journal, four-fifths of the membership concurring, if the statute is consistent with, and furthers the purposes of, the Clean Air, Jobs, and Transportation Efficiency Act of 1994, and does not diminish the powers of the agency with respect to the acquisition and operation of the rail corridor.

SECTION 19. Section 97.055 is added to the Revenue and Taxation Code, to read:

97.055. (a) Locally generated property tax revenues have been and continue to be an important source of revenue for many local transportation agencies throughout California.

(b) The Legislature shall not reduce or reallocate the percentage of property tax revenues allocated to local transportation agencies, including single county and multiple county agencies, regardless of the composition of the governing boards of those agencies, below the percentage of property tax allocations made to those agencies for the 1992-93 fiscal year.

(c) If a statute directly or indirectly reduces or reallocates any property tax revenues required by this section to be allocated to one or more local transportation agencies so that the percentage of property tax revenues allocated to that agency is reduced below the level provided in subdivision (b), within ninety days of the effective date of the statute the Controller shall transfer to that agency, from the General Fund, an amount equal to the difference between the reduced or reallocated property tax allocation and the amount of property tax the agency would otherwise have been entitled to receive had the reduction or reallocation not been made. There is hereby appropriated from the General Fund an amount necessary to make any transfer required by this subdivision.

SECTION 20. Section 6052 is added to the Revenue and Taxation Code, to read:

6052. (a) *In addition to the taxes imposed by the other provisions of this article, for the privilege of selling motor vehicle fuel, as defined by Section 6480, at retail, a tax at the rate of four percent is hereby imposed upon all retailers on the gross receipts of the retailer from the sale of motor vehicle fuel at retail in this state on and after January 1, 1995. The tax shall be subject to the prepayment requirements set forth in Section 6480.1.*

(b) *This tax is imposed pursuant to the Sales and Use Tax Law.*

SECTION 21. Section 6201.8 is added to the Revenue and Taxation Code, to read:

6201.8. (a) *In addition to the taxes imposed by other provisions of this article, an excise tax is hereby imposed on the storage, use or other consumption in this state of motor vehicle fuel, as defined in Section 6480, purchased from any retailer on or after January 1, 1995, for storage, use, or other consumption in this state, at the rate of four percent of the sales price of the property.*

(b) *This tax is imposed pursuant to the Sales and Use Tax Law.*

SECTION 22. Section 6480.1 of the Revenue and Taxation Code is amended to read:

6480.1. (a) After service of written notification by the board, on the first distribution in this state of motor vehicle fuel subject to the motor vehicle fuel license tax, the distributor shall collect prepayment of retail sales tax from the person to whom the motor vehicle fuel is distributed. The prepayment required to be collected by the distributor constitutes a debt owed by the distributor to this state until paid to the board, until satisfactory proof has been submitted to prove that the retailer of the fuel has paid the retail sales tax to the board, or until a distributor or broker who has consumed the fuel has paid the use tax to the board. Each distributor shall report and pay the prepayment amounts to the board, on a form prescribed by the board, in the period in which the fuel is distributed. On each subsequent distribution of that motor vehicle fuel, each seller, other than the retailer, shall collect from his or her purchaser a prepayment computed using the rate applicable at the time of distribution. Each distributor shall provide his or her purchaser with a receipt or invoice for the collection of the prepayment amounts which shall be separately stated thereon.

(b) After service of written notification by the board, the broker shall collect prepayment of the retail sales tax from the person to whom the motor vehicle fuel is transferred. The prepayment required to be collected by the broker constitutes a debt owed by the broker to the state until paid to the board, or until satisfactory proof has been submitted to prove that the retailer of the fuel has paid the tax to the board. Each broker shall provide his or her purchaser with a receipt or invoice for the collection of the prepayment amounts which shall be separately stated thereon.

Each broker shall report and pay the prepayment amounts to the board, on a form prescribed by the board, in the period in which the fuel is distributed. The amount of prepayment paid by the broker to his or her vendor shall constitute a credit against the amount of prepayment required to be collected and remitted by the broker to the board.

(c) A distributor or broker who pays the prepayment and issues a resale certificate to the seller, but subsequently consumes the fuel, shall be entitled to a credit against his or her sales and use taxes due and payable for the period in

which the prepayment was made, provided that he or she reports and pays the use tax to the board on the consumption of that fuel.

(d) The amount of a *the* prepayment paid by the retailer or a distributor or broker who has consumed the fuel to the seller from whom he or she acquired the fuel shall constitute a credit against his or her sales and use taxes due and payable for the period in which the distribution was made. Failure of the distributor or broker to report prepayments or the distributor's or broker's failure to comply with any other duty under this article shall not constitute grounds for denial of the credit to the retailer, distributor, or broker, either on a temporary or permanent basis or otherwise. The retailer, distributor, or broker shall be entitled to the credit to the extent of the amount prepaid to his or her supplier as evidenced by purchase documents, invoices, or receipts stating separately the amount of tax prepayment.

(e) The rate of the prepayment required to be collected during the period from July 1, 1986, through March 31, 1987, shall be four cents (\$.04) per gallon of motor vehicle fuel distributed or transferred.

(f) On April 1 of each succeeding year, the rate per gallon, rounded to the nearest one-half of one cent, of the required prepayment shall be established by the board based upon 80 percent of the combined state and local sales tax rate established by Sections 6051, 6051.2, 6051.3, 6052, and 7202 on the arithmetic average selling price (excluding sales tax) as determined by the State Energy Resources Conservation and Development Commission, in its latest publication of the "Quarterly Oil Report," of all grades of gasoline sold through a self-service gasoline station. The board shall make its determination of the rate no later than November 1 of the year prior to the effective date of the new rate. Immediately upon making its determination and setting of the rate, the board shall each year, no later than January 1, notify by mail every distributor, broker, and retailer of motor vehicle fuel. In the event the price of fuel decreases or increases, and the established rate results in prepayments which consistently exceed or are significantly lower than the retailers' sales tax liability, the board may readjust the rate.

(g) The Legislature may amend subdivisions (a) through (f) of this section by statute passed in each house of the Legislature by rollcall vote entered in the journal, two-thirds of the membership concurring, if the statute is not inconsistent with the Clean Air, Jobs, and Transportation Efficiency Act of 1994, and the purposes of that act, as specified in Section 99399.10 of the Public Utilities Code.

SECTION 23. Section 7102 of the Revenue and Taxation Code is amended to read:

7102. The money in the fund shall, upon order of the Controller, be drawn therefrom for refunds under this part, and pursuant to Section 1793.25 of the Civil Code, or be transferred in the following manner:

(a) (1) All revenues, less refunds, derived under this part at the 4¾-percent rate, including the imposition of sales and use taxes with respect to the sale, storage, use, or other consumption of motor vehicle fuel which would not have been received if the sales and use tax rate had been 5 percent and if motor vehicle fuel, as defined for purposes of the Motor Vehicle Fuel License Tax Law (Part 2 (commencing with Section 7301)), had been exempt from sales and use taxes, shall be estimated by the State Board of Equalization, ~~with the concurrence of the Department of Finance,~~ and shall be transferred quarterly to the Transportation Planning and Development Account, a trust fund in the State Transportation Fund. *The transfer shall occur on a quarterly basis regardless of estimates for future quarters.*

(2) All revenues, less refunds, derived under this part at the $4\frac{3}{4}$ -percent rate, resulting from increasing after December 31, 1989, the rate of tax imposed pursuant to the Motor Vehicle Fuel License Tax Law on motor vehicle fuel, as defined for purposes of that law, shall be transferred quarterly to the Transportation Planning and Development Account, a trust fund in the State Transportation Fund.

(3) All revenues, less refunds, derived under this part at the $4\frac{3}{4}$ -percent rate from the imposition of sales and use taxes on fuel, as defined for purposes of the Use Fuel Tax Law (Part 3 (commencing with Section 8601)), shall be estimated by the State Board of Equalization, with the concurrence of the Department of Finance, and shall be transferred quarterly to the Transportation Planning and Development Account, a trust fund in the State Transportation Fund.

~~(4) All revenues, less refunds, derived under this part from a rate of more than $4\frac{3}{4}$ percent pursuant to Sections 6051.1 and 6201.1 for the period December 1, 1989, to June 5, 1990, inclusive, shall be transferred to the Disaster Relief Fund created by Section 16419 of the Government Code. All revenues, less refunds, derived under this part at the $4\frac{3}{4}$ -percent rate, resulting from any increase after January 1, 1993 in the rate of any tax imposed by the United States on motor vehicle fuel, as that term is defined in Section 7304, shall be transferred quarterly to the Transportation Planning and Development Account, a trust fund in the State Transportation Fund.~~

(5) All revenues, less refunds, derived under this part from a rate of more than $4\frac{3}{4}$ percent pursuant to Sections 6051.1 and 6201.1 for the period June 6, 1990, to December 31, 1990, inclusive, which is attributable to the imposition of sales and use taxes with respect to the sale, storage, use, or other consumption of tangible personal property other than fuel, as defined for purposes of the Use Fuel Tax Law (Part 3 (commencing with Section 8601)), shall be transferred to the Disaster Relief Fund created by Section 16419 of the Government Code.

(6) All revenues, less refunds, derived under this part from a rate of more than $4\frac{3}{4}$ percent pursuant to Sections 6051.1 and 6201.1 for the period June 6, 1990, to December 31, 1990, inclusive, which is attributable to the imposition of sales and use taxes with respect to the sale, storage, use, or other consumption of fuel, as defined for purposes of the Use Fuel Tax Law (Part 3 (commencing with Section 8601)), shall be transferred to the Disaster Relief Fund created by Section 16419 of the Government Code.

(7) All revenues, less refunds, derived under this part from the taxes imposed pursuant to Sections 6051.2 and 6201.2 shall be transferred to the Sales Tax Account of the Local Revenue Fund for allocation to cities and counties as prescribed by statute.

(8) All revenues, less refunds, derived under this part from the taxes imposed pursuant to Sections 6051.6 and 6201.6 shall be transferred to the Interim Public Safety Account in the Local Public Safety Fund created in Section 30051 of the Government Code for allocation to counties as prescribed by statute.

(9) All revenues, less refunds, derived from the taxes imposed pursuant to Section 35 of Article XIII of the California Constitution shall be transferred to the Public Safety Account in the Local Public Safety Fund created in Section 30051 of the Government Code for allocation to counties as prescribed by statute.

~~(10) An amount equal to all revenues, less refunds, derived under this part at a $4\frac{3}{4}$ percent rate for the period between January 1, 1994, and July 1, 1994, from the increase in sales and use tax revenue attributable to the increase in the rate of the federal motor vehicle fuel tax between January 1, 1993, and the rate in~~

effect on January 1, 1994, shall be estimated by the State Board of Equalization, with the concurrence of the Department of Finance, and an amount equal to that amount, but not exceeding seven million five hundred thousand dollars ~~(\$7,500,000)~~ shall be transferred from the Retail Sales Tax Fund to the Small Business Expansion Fund created by Article 5 ~~(commencing with Section 14030)~~ of Chapter 1 of Part 5 of Division 3 of Title 1 of the Corporations Code.

(b) The balance shall be transferred to the General Fund.

(c) The estimates required by subdivision (a) shall be based on taxable transactions occurring during a calendar year, and the transfers required by subdivision (a) shall be made during the fiscal year that commences during that same calendar year. Transfers required by paragraphs (1), (2), ~~and (3)~~, and (4) of subdivision (a) shall be made quarterly.

(d) The Legislature may amend *paragraphs (5), (6), (7), (8), and (9) of subdivision (a), and subdivisions (b) and (c) of this section*, by statute passed in each house of the Legislature by rollcall vote entered in the journal, two-thirds of the membership concurring, if the statute is ~~consistent with, and furthers does not reduce funding for the purposes of this section.~~ *the Transportation Planning and Development Account and is not in conflict with the Clean Air, Jobs, and Transportation Efficiency Act of 1994.*

(e) (1) *The purpose of paragraphs (1), (2), (3), and (4) of subdivision (a) is to guarantee and require the transfer of the specified sales and use tax revenues to the Transportation Planning and Development Account to be used as required by Section 99310.5 of the Public Utilities Code. No statute may redirect the specified revenues or estimated revenues, whether from the tax revenue itself or from the Retail Sales Tax Fund. Any statute purporting to accomplish that purpose shall be void and without effect.*

(2) *If a statute transfers any revenues identified in paragraphs (1), (2), (3), or (4) of subdivision (a) from the tax revenue itself or from the Retail Sales Tax Fund to any other account, fund, or other depository than the Transportation Planning Development Account, directly or indirectly, within 90 days of the effective date of the statute, the Controller shall transfer an amount equivalent to the amount of the transfer from the General Fund to the Retail Sales Tax Fund, and that amount shall be transferred to the Transportation Planning and Development Account as required by this section. There is hereby appropriated from the General Fund an amount necessary to make any transfer required by this subdivision.*

SECTION 24. Section 7103 is added to the Revenue and Taxation Code, to read:

7103. (a) *Notwithstanding Section 7102, or any other provision of law, and except as provided in subdivisions (b) through (i), inclusive, money in the Retail Sales Tax Fund derived from the additional tax imposed by Section 6052 and 6201.8 on motor vehicle fuel, less refunds, after allocating to the board for reimbursement of all the costs incurred in connection with collection of those taxes, shall be transferred quarterly to the Transportation Planning and Development Account, a trust fund in the State Transportation Fund. Notwithstanding Section 99310.8 of the Public Utilities Code, the revenues transferred to the Transportation Planning and Development Account pursuant to this section shall be deposited in the Clean Air, Jobs, and Transportation Efficiency Act Subaccount of that account pursuant to Section 99310.6 of the Public Utilities Code. The revenues identified for transfer in subdivisions (b) through (i) shall be*

transferred from the Clean Air, Jobs, and Transportation Efficiency Act Subaccount as specified in those subdivisions.

(b) One percent of revenues received each quarter shall be transferred quarterly to the State Highway Account for fog-related safety and other projects, for expenditure as provided in Section 195 of the Streets and Highways Code.

(c) Until January 1, 2000, fifteen percent of revenues received each quarter shall be transferred quarterly to the Seismic Safety Retrofit Account, established pursuant to Article 4.8 (commencing with Section 179) of Chapter 1 of Division 1 of the Streets and Highways Code, to fund seismic upgrades on state highway bridges and publicly owned local bridges, including publicly owned toll bridges and rail bridges. These funds shall be in addition to funds programmed for seismic upgrade purposes in the State Highway Operation and Protection Program and any funds programmed for this purpose from toll bridge accounts and subaccounts established by the Streets and Highways Code on or before January 1, 1994. These funds may not be used to expand the traffic carrying capacity of the bridges. Transfers pursuant to this subdivision shall cease effective January 1, 2000. Notwithstanding any other provision of law, funds transferred into the Seismic Safety Retrofit Account pursuant to this subdivision are continuously appropriated to the Department of Transportation without regard to fiscal year.

(d) Two percent of revenues received each quarter shall be transferred quarterly to the Bicycle and Pedestrian Facilities Account, for expenditure as provided by Section 894.5 of the Streets and Highways Code.

(e) Until January 1, 2010, two percent of revenues received each quarter shall be transferred quarterly to the State Energy Conservation Assistance Account, created pursuant to Section 25416 of the Public Resources Code, for expenditure by the Energy Commission for electric, hybrid-electric, and clean fuel vehicle research, development, demonstration, and commercialization, and to assist in the purchase of these vehicles by public agencies, for expenditure as provided by Section 25619 of the Public Resources Code. Transfers pursuant to this subdivision shall cease effective January 1, 2010.

(f) Two percent of revenues received each quarter shall be transferred quarterly to the State Highway Account, for traffic signal synchronization, and traffic signal preemption devices for exclusive public mass transit guideway vehicles and emergency vehicles for expenditure as provided by Section 196 of the Streets and Highways Code. After January 1, 2010, the California Transportation Commission may, at its discretion, reduce the percentage of revenue allocated to this purpose in any year if it finds that there is a reduced need for expenditures for these programs.

(g) One percent of revenues received each quarter shall be transferred quarterly to the State Highway Account, for commuter carpool information systems and transit planning and development purposes, for expenditure as provided by Section 197 of the Streets and Highways Code.

(h) Two percent of revenues received each quarter shall be transferred quarterly to the Transportation and Environmental Improvement Program Fund for expenditure pursuant to Section 164.561 of the Streets and Highways Code. This transfer of funds is in addition to, and shall not substitute for, any funds authorized to be expended from the Environmental Enhancement and Mitigation Demonstration Program Fund pursuant to subdivision (a) of Section 164.56 of the Streets and Highways Code.

(i) Two percent of revenues received each quarter shall be transferred quarterly to the State Highway Account, to be made available for highway-railroad grade separations, as provided in Section 191.1 of the Streets and Highways Code.

(j) (1) The purpose of this section is to guarantee and require the transfer of the specified sales and use tax revenues to the Transportation Planning and Development Account and to the accounts specified in subdivisions (b) through (i), inclusive. No statute may redirect the specified revenues or estimated revenues, whether from the tax revenue itself or from the Retail Sales Tax Fund. Any statute purporting to accomplish that purpose shall be void and without effect.

(2) If a statute transfers any revenues identified in this section from the tax revenue itself or from the Retail Sales Tax Fund to any other account, fund, or other depository, directly or indirectly, within 90 days of the effective date of the statute, the Controller shall transfer an amount equivalent to the amount of the transfer from the General Fund to the Retail Sales Tax Fund, and this amount shall be transferred to the Transportation Planning and Development Account pursuant to this section. There is hereby appropriated from the General Fund an amount necessary to make any transfer required by this subdivision.

SECTION 25. Section 164.561 is added to the Streets and Highways Code, to read:

164.561. (a) Funds transferred to the Transportation and Environmental Improvement Program Fund pursuant to subdivision (h) of Section 7103 of the Revenue and Taxation Code shall be deposited into the Transportation and Environmental Improvement Program Fund, which is hereby created as a trust fund, and shall be continuously appropriated, notwithstanding Section 13340 of the Government Code, to the Resources Agency, without regard to fiscal year, for the purposes provided in this section.

(b) Local, state, and federal agencies and nonprofit organizations may apply for and receive grants, not to exceed five million dollars (\$5,000,000) for any single grant, to undertake environmental enhancement and mitigation projects that are directly or indirectly related to the environmental impact of existing transportation facilities, the modification of existing transportation facilities, or the construction and operation of new transportation facilities.

(c) The following projects are eligible for funding:

(1) Urban forestry projects to offset vehicular emissions of carbon monoxide and urban forestry projects along urban rail transit corridors.

(2) Acquisition, restoration, and enhancement of resource lands to mitigate the loss of, or the detriment to, resource lands from existing or proposed transportation improvements. Projects funded pursuant to this paragraph may also include the acquisition and preservation of lands containing significant archaeological resources to mitigate the loss of, or detriment to, archaeological resources from existing and proposed transportation projects.

(3) Acquisition, restoration, and enhancement of wetlands and riparian habitat, or any combination thereof, to mitigate the impacts of, or detriment from, runoff from roads.

(4) Trails, including paved bicycle paths, which provide exclusive use for bicycles or pedestrians, or both, and trailhead projects.

(5) Acquisition of land for parks.

(6) The purchase of permanent conservation easements from willing sellers on prime agricultural lands, and for the mapping of those lands, to mitigate the loss of, or detriment to, agricultural lands lying within or near the right-of-way

acquired for existing or proposed transportation improvements. For purposes of this paragraph, "prime agricultural lands" has the same meaning as provided in subdivision (c) of Section 51201 of the Government Code. Not more than 15 percent of the funds transferred in any particular year to the Transportation and Environmental Improvement Program Fund may be used for this purpose.

(d) Grant proposals shall be submitted to the Resources Agency for evaluation in accordance with procedures and criteria prescribed by the Resources Agency. The Resources Agency shall evaluate proposals submitted to it and prepare a list of proposals for funding which the Resources Agency may revise at any time. Prior to including a proposal on the list, the Resources Agency shall make a finding that the proposal is eligible for funding pursuant to this section. Unless otherwise prohibited by law, grants may include prepayments and advance payments to the grantees for the purpose of implementing projects funded pursuant to this section.

(e) Within the fiscal limitations of this section and subdivision (h) of Section 7103 of the Revenue and Taxation Code, the Resources Agency shall annually award grants to fund proposals which are included on the list prepared pursuant to subdivision (d).

(f) No funds authorized pursuant to this section shall be allocated to the department for its own projects or for highway landscaping or roadside rest projects. No funds authorized pursuant to this section shall be allocated to pay for any environmental mitigation or other mitigation or enhancement costs that would otherwise be required by any laws effective on the date of this enactment or thereafter, including, but not limited to, requirements established under the California Environmental Quality Act, Division 13 (commencing with Section 21000) of the Public Resources Code.

(g) Permanent acquisitions of wildlife habitat by any public agency pursuant to this section may be considered to be an expenditure from the Habitat Conservation Fund, created by Section 2786 of the Fish and Game Code, if the agency receiving the funds makes a finding that each and every expenditure is identical in purpose to at least one of those required by Section 2786 of the Fish and Game Code.

(h) For purposes of this section, "nonprofit organization" means any nonprofit organization qualified pursuant to paragraphs (3) and (4) of subdivision (c) of Section 501 of the federal Internal Revenue Code.

(i) The Legislature may amend subdivisions (b) through (h) of this section, by statute passed in each house of the Legislature by rollcall vote entered in the journal, four-fifths of the membership concurring, if the statute is consistent with, and furthers the purposes of, this section and the Clean Air, Jobs, and Transportation Efficiency Act of 1994.

SECTION 26. Section 191.1 is added to the Streets and Highways Code, to read:

191.1. (a) Notwithstanding Section 13340 of the Government Code, funds available pursuant to subdivision (i) of Section 7103 of the Revenue and Taxation Code and subdivision (a) of Section 99393 of the Public Utilities Code are continuously appropriated to the commission, without regard to fiscal year, for allocation to cities and counties for grade separation projects as defined in subdivision (a) of Section 2450.

(b) The funds appropriated by subdivision (a) shall be allocated exclusively for projects on mainline railroad lines with not less than four daily passenger trains, where the basic maximum passenger train speed limit is not less than 70

miles per hour. The maximum amount of funding to be allocated to any one project from this source shall not exceed five million dollars (\$5,000,000), increasing at a rate equal to the rate of increase in the Consumer Price Index. Each project shall be subject to the matching requirements of Section 190. Preference shall be given to grade separation projects in counties with populations of less than 200,000 and to the least expensive projects.

(c) Subject to the restrictions in subdivision (b), the commission shall follow the priorities in the grade separation priority list developed by the Public Utilities Commission, pursuant to Section 2452.

(d) In addition to the funds allocated pursuant to this section, a minimum of fifteen million dollars (\$15,000,000) shall continue to be made available annually from the State Highway Account for grade separations pursuant to Section 190.

(e) The Legislature may amend subdivisions (b) and (c) of this section, by statute passed in each house of the Legislature by rollcall vote entered in the journal, four-fifths of the membership concurring, if the statute is consistent with, and furthers the purposes of, the Clean Air, Jobs, and Transportation Efficiency Act of 1994.

SECTION 27. Section 195 is added to the Streets and Highways Code, to read:

195. (a) Funds transferred to the State Highway Account pursuant to subdivision (b) of Section 7103 of the Revenue and Taxation Code shall be continuously appropriated, notwithstanding Section 13340 of the Government Code, to the commission, without regard to fiscal year, for projects on state highways and local roads that improve safety during fog conditions, including, but not limited to, changeable message signs, limited range radio frequencies, and advance warning devices for railroad crossings. Funds shall be allocated to projects that have the greatest likelihood of saving lives, and shall be in addition to existing levels of expenditures for these types of projects. The commission shall allocate these funds to the department and other transportation agencies, with highest priority going to projects in counties with a population of less than 100,000.

(b) In any year that the commission finds that all the funds allocated by subdivision (b) of Section 7103 of the Revenue and Taxation Code are not needed for projects authorized in subdivision (a), the unneeded funds may be allocated to projects authorized by Sections 164.561, 191.1, and 894.5, within counties with a population of less than 100,000.

(c) The Legislature may amend subdivisions (a) and (b) of this section, by statute passed in each house of the Legislature by rollcall vote entered in the journal, four-fifths of the membership concurring, if the statute is consistent with, and furthers the purposes of, this section and the Clean Air, Jobs, and Transportation Efficiency Act of 1994.

SECTION 28. Section 196 is added to the Streets and Highways Code, to read:

196. (a) Funds transferred to the State Highway Account pursuant to subdivision (f) of Section 7103 of the Revenue and Taxation Code shall be continuously appropriated to the commission, notwithstanding Section 13340 of the Government Code, and without regard to fiscal year.

(b) The funds appropriated pursuant to subdivision (a) shall be allocated to public agencies to fund traffic signal synchronization and traffic signal preemption devices for both exclusive public mass transit guideway vehicles and emergency vehicles. Signal preemption devices shall receive high priority for funding.

(c) *The commission shall adopt initial guidelines to fund this program within 180 days of the enactment of this section. The guidelines shall require that synchronization projects shall not have an adverse impact on the operation of public transportation systems.*

(d) *The Legislature may amend subdivisions (b) and (c) of this section, by statute passed in each house of the Legislature by rollcall vote entered in the journal, four-fifths of the membership concurring, if the statute is consistent with, and furthers the purposes of, this section and the Clean Air, Jobs, and Transportation Efficiency Act of 1994.*

SECTION 29. Section 197 is added to the Streets and Highways Code, to read:

197. (a) *Funds transferred to the State Highway Account pursuant to subdivision (g) of Section 7103 of the Revenue and Taxation Code shall be continuously appropriated to the commission without regard to fiscal year, notwithstanding Section 13340 of the Government Code.*

(b) *The funds appropriated pursuant to subdivision (a) shall be allocated to public agencies and nonprofit corporations in regions of the state that have not attained state or federal air quality standards or that have significant traffic congestion, to provide ridesharing services, including computer matching of carpool and vanpool rides and riders, and to develop and plan better public transit routes and systems.*

(c) *The commission shall adopt initial guidelines to fund this program within 180 days of the enactment of this section.*

(d) *The Legislature may amend subdivisions (b) and (c) of this section, by statute passed in each house of the Legislature by rollcall vote entered in the journal, four-fifths of the membership concurring, if the statute is consistent with, and furthers the purposes of, this section and the Clean Air, Jobs, and Transportation Efficiency Act of 1994.*

SECTION 30. Section 199.12 is added to the Streets and Highways Code, to read:

199.12. *The amount of funds available each fiscal year from the State Highway Account, pursuant to Section 199 of this code and Section 99317 of the Public Utilities Code, for the guideways component of the transit capital improvements program approved pursuant to Article XIX of the California Constitution shall be maintained at not less than historical levels, consistent with Section 199.11. "Historical levels" means an amount equal to the ratio of state funds in the State Highway Account actually appropriated to the guideway program by the State Budget Act of 1989 compared to the total amount of state funds appropriated from the State Highway Account by that budget act for all transportation capital outlay, multiplied by the total amount of state funds in the State Highway Account available for all transportation capital outlay in each future budget year. Notwithstanding Section 13340 of the Government Code, funds for these guideway purposes shall be continuously appropriated at historical levels to the committee, without regard to fiscal year, for allocation through the transit capital improvements program. Not less than 15 percent of guideway funds shall be allocated to intercity rail projects.*

SECTION 31. Section 199.13 is added to the Streets and Highways Code, to read:

199.13. (a) *Except as provided in subdivision (b), and otherwise required by the act defined in Section 99399 of the Public Utilities Code, no funds shall be permanently transferred from the State Highway Account to any other account, fund, or other depository. The intent of this section is to provide funds for*

transportation purposes consistent with Article XIX of the California Constitution. Except as provided in Sections 16310 and 16381 of the Government Code, loans from funds in the State Highway Account derived from motor vehicle fuel taxes to the General Fund consistent with Section 6 of Article XIX of the California Constitution shall be limited in duration to a term of two years and shall be repaid with interest from the General Fund at the Pooled Money Investment Account rate. No other loans of those funds shall be made.

(b) Funds may be transferred from the State Highway Account to the Transportation Planning and Development Account for support of the commission and the rail committee and to provide reimbursements for transportation planning activities and support of transportation research activities. Any reduction in transfers from one year to the next shall be accompanied by an equivalent reduction in the directly associated expenditures from the Transportation Planning and Development Account. Funds may also be transferred from the State Highway Account to the Environmental Enhancement and Mitigation Demonstration Program Fund, the Seismic Safety Retrofit Account, and other accounts and funds for purposes substantially similar to purposes for which the State Highway Account is authorized on and after the effective date of this section.

(c) All interest, fee income (except tolls), rental or lease income, or other income earned by the state from the funds in the State Highway Account, or from transportation facilities paid for in part or entirely by the State Highway Account, directly or indirectly, shall remain or be deposited in the State Highway Account. This subdivision shall not apply to income produced by property acquired and developed by local agencies or joint powers authorities pursuant to grants made by the state, or to income from property purchased pursuant to Section 164.56.

(d) Except as provided in subdivisions (a) and (b), if a statute transfers any funds from the State Highway Account to any other account, fund, or other depository, directly or indirectly, within ninety days of the effective date of the statute the Controller shall transfer an amount equivalent to the amount of that transfer from the General Fund to the State Highway Account. If a loan pursuant to subdivision (a) to the General Fund is not repaid with interest, the Controller shall transfer the necessary amount of funds to repay the loan with interest from the General Fund to the State Highway Account within six months of the end of the maximum two-year loan term. There is hereby appropriated from the General Fund an amount necessary to make any transfer required by this subdivision.

SECTION 32. Section 199.14 is added to the Streets and Highways Code, to read:

199.14. (a) Except as provided by Section 5 of Article XIX of the California Constitution, and Section 199.13, no funds in the State Highway Account shall be used for debt service for general obligation bonds issued for transportation purposes pursuant to Chapter 17 (commencing with Section 2701) of Division 3, or Chapter 19 (commencing with Section 2703) of Division 3, or bonds issued pursuant to Chapter 6 (commencing with Section 99690) of Part 11.5 of Division 10 of the Public Utilities Code, or for any future general obligation bonds that the state may authorize and issue.

(b) All loans that were made from the State Highway Account in order to pay transportation bond debt service pursuant to the relevant provisions of the Budget Act of 1992, the Budget Act of 1993, and any other budget acts shall be repaid, with interest at the pooled money investment rate applicable to the period during which the loans were outstanding, on or before June 1, 1997, with funds

other than funds in the State Highway Account or other funds dedicated to transportation purposes. If these loans have not been repaid in full by that date, the Controller shall transfer 50 percent of the amount due, including interest, on June 30, 1997, from the General Fund to the State Highway Account, and shall transfer the remainder, including interest, from the General Fund to the State Highway Account on or before June 1, 1998. There is hereby appropriated from the General Fund an amount necessary to make any transfer required by this subdivision. The loans that were made pursuant to the relevant provisions of the budget acts described in this subdivision shall be considered to be loans until repaid, notwithstanding any other provision of law.

SECTION 33. Section 894.5 is added to the Streets and Highways Code, to read:

894.5. (a) *The Bicycle and Pedestrian Facilities Account is hereby created in the State Transportation Fund. Notwithstanding Section 13340 of the Government Code, the money in the Bicycle and Pedestrian Facilities Account is continuously appropriated to the department without regard to fiscal year for the purposes of this section. The commission shall establish a program to be administered by the department for allocating the funds in the Bicycle and Pedestrian Facilities Account made available by subdivision (d) of Section 7103 of the Revenue and Taxation Code. These funds shall be allocated by the commission to cities, counties, and other public agencies for bicycle, sidewalk, and rural walkway projects which primarily benefit nonmotorized facilities for bicycles and pedestrians, as provided in this section. Not less than three-quarters of the funds in the Bicycle and Pedestrian Facilities Account shall be allocated to bicycle projects. Of the remaining funds, rural walkway projects shall be given highest priority.*

(b) A bicycle project shall be eligible for funding only if it primarily benefits bicycle commuters, rather than recreational users.

(c) A sidewalk project shall be eligible for funding only if it is in an existing urban area, with the highest priority given to projects which complete gaps in existing sidewalks with significant pedestrian traffic. Repair of an existing sidewalk is not eligible for an allocation.

(d) A rural walkway project shall be eligible for funding only if it is along a road which is heavily used by pedestrians or bicycling children on a suggested route to school, or if the project is in support of public transit use and is within one-quarter mile of transit stops in rural areas.

(e) To the greatest extent practicable, the department shall use the same guidelines to administer this section that were adopted by the commission for the administration of bicycle funds made available by Section 99650 of the Public Utilities Code. The initial version of any required changes to those guidelines shall be adopted within 180 days of the enactment of this section.

(f) To the greatest extent practicable, the department shall use the same guidelines to administer this section that were adopted by the commission for the administration of rural walkway funds made available by Section 99628 of the Public Utilities Code.

(g) Annual funding for bicycle purposes pursuant to subdivision (b) of Section 2106 shall not be reduced below funding levels actually made available in fiscal year 1993-94.

(h) The Legislature may amend subdivisions (b) through (f) of this section, by statute passed in each house of the Legislature by rollcall vote entered in the

journal, four-fifths of the membership concurring, if the statute is consistent with, and furthers the purposes of, the Clean Air, Jobs, and Transportation Efficiency Act of 1994.

*Number
on ballot*

188. Smoking and Tobacco Products. Local Preemption. Statewide Regulation.

[Rejected by electors November 8, 1994.]

PROPOSED LAW

SECTION 1. The People of the State of California find and declare that:

(a) The current regulation of smoking in public in California is inadequate in that there are insufficient statewide standards for regulating smoking in restaurants, office buildings, and other public places.

(b) There is a wide variance in the local regulation of smoking. Some localities provide little or no protection to those who wish to avoid secondhand smoke in such places, while others overregulate to the extent that in at least one city a person may be fined for smoking on the sidewalk or in the street.

(c) There is a clear need for uniform statewide regulation of smoking in public to assure those interested in avoiding secondhand tobacco smoke have the same protections wherever they go in the state and that those who do smoke have fair notice of where smoking is prohibited.

(d) There must be stricter statewide controls to curb the illegal sale of tobacco products to minors, including the regulation of tobacco products vending machines. Further, the advertisement of tobacco products near schools must be restricted.

SEC. 2. To accomplish the goals set forth in Section 1, the People enact this measure to provide for the statewide regulation of smoking in restaurants, other public places and the workplace, and for statewide restrictions on the marketing and distribution of tobacco products through the regulation of sales to minors, tobacco products vending machines, and billboard advertising near school grounds.

SEC. 3. This act shall be known and may be cited as the California Uniform Tobacco Control Act.

SEC. 4. Division 10 (commencing with Section 25800) is added to the Business and Professions Code, to read:

DIVISION 10. REGULATION OF SMOKING

CHAPTER 1. GENERAL PROVISIONS

25800. For purposes of this division, the following definitions shall apply:

(a) *“ASHRAE Standard 62-1989” means the standard approved by the American Society of Heating, Refrigerating and Air-Conditioning Engineers, Inc. in 1989 as ASHRAE Standard 62-1989, “Ventilation for Acceptable Indoor Air Quality” and approved by the American National Standards Institute in 1991. The standard is also designated “ANSI/ASHRAE 62-1989.”*

(b) *“Bar” means an area that is devoted to the service of alcoholic beverages for consumption on the premises and in which the serving of food, if any, is incidental to the consumption of alcoholic beverages. When a bar is located within a building in conjunction with another use, including, but not limited to, a restaurant, only the area used primarily for the consumption of alcoholic*

beverages shall constitute a bar. The dining area shall not constitute a bar, even though alcoholic beverages may be served therein.

(c) "Private office" means a room within a building in which no more than one person works that is enclosed by floor to ceiling walls and an operable door.

(d) "Public place" means any enclosed indoor area open to the general public, including, but not limited to, a theater, educational facility, health facility, retail services establishment, retail food production and market establishment, gymnasium, health spa, library, museum, and gallery. "Public place" does not include a workplace, restaurant, or bar.

(e) "Restaurant" means any coffeeshop, cafeteria, short-order cafe, luncheonette, diner, sandwich shop, soda fountain, and any other eating establishment which gives, sells, or offers for sale food to the general public for consumption on the premises. "Restaurant" does not include a "bar" as defined in this section.

(f) "Workplace" means any enclosed indoor area in which one or more individuals are employed on a full-time basis and to which the general public does not have access, except by specific invitation. Notwithstanding the preceding sentence, "workplace" does not include a prison, jail or other correctional facility and does not include a work area in a private residence other than a licensed family day care home during its hours of operation and in those areas where children are present.

CHAPTER 2. RESTAURANTS

25806. Smoking is prohibited in any restaurant, except as otherwise provided in this chapter.

25808. (a) The prohibition of Section 25806 shall not apply to any restaurant to which both of the following apply:

(1) Smoking is confined to designated areas not exceeding 25 percent of the seating capacity.

(2) Ventilation is provided in accordance with the recommended ventilation rates specified for dining rooms and cafeterias in Table 2 of ASHRAE Standard 62-1989 or in accordance with the requirements of the indoor air quality procedure described in ASHRAE Standard 62-1989. If a restaurant elects to provide ventilation in accordance with this paragraph, the restaurant shall keep on the premises a written certification, provided at least once a year by the contractor who maintains the ventilation system, that the system meets the applicable provisions of ASHRAE Standard 62-1989.

(b) Any restaurant permitting smoking shall post a sign on the exterior of the building at each point of public entrance stating that smoking and non-smoking sections are available.

25810. The prohibition of Section 25806 shall not apply to rooms in restaurants being used for private functions.

25812. Nothing in this chapter shall be construed to prevent the owner of any restaurant from prohibiting smoking entirely on any premises under his or her control.

CHAPTER 3. WORKPLACES

25814. Smoking is prohibited in any workplace, except as otherwise provided in this chapter.

25816. (a) The prohibition of Section 25814 shall not apply to any workplace that is any of the following:

(1) Any private office or, with the consent of all occupants, any conference room if ventilation is provided to that office or room in accordance with the

recommended ventilation rates specified for offices in Table 2 of ASHRAE Standard 62-1989 or in accordance with the requirements of the indoor air quality procedure described in ASHRAE Standard 62-1989.

(2) Any employee cafeteria where smoking is confined to a single area not exceeding 25 percent of the seating capacity of the cafeteria, and ventilation is provided in accordance with the recommended ventilation rates specified for dining rooms and cafeterias in Table 2 of ASHRAE Standard 62-1989 or in accordance with the requirements of the indoor air quality procedure described in ASHRAE Standard 62-1989.

(3) Designated smoking lounges if ventilation is provided in accordance with the recommended ventilation rates specified for smoking lounges in Table 2 of ASHRAE Standard 62-1989 or in accordance with the requirements of the indoor air quality procedure described in ASHRAE Standard 62-1989.

(b) If an employer elects to provide ventilation in accordance with subdivision (a), the employer shall keep on the premises a written certification, provided at least once a year by the contractor who maintains the ventilation system, that the system meets the applicable provisions of ASHRAE Standard 62-1989.

25818. Smoking is prohibited in any company vehicle unless all those present in the vehicle consent.

25820. Nothing in this chapter shall be construed to prevent an employer from prohibiting smoking entirely on any premises under his or her control.

CHAPTER 4. PUBLIC PLACES

25822. Smoking is prohibited in any public place, except as otherwise provided in this chapter.

25824. Smoking may be permitted in no more than 25 percent of the concourse area of any bowling alley and the lobby areas of any hotel, motel or other lodging facility.

25826. The prohibition of Section 25822 shall not apply to any of the following places:

(a) Hotel and motel rooms rented to guests, unless they are designated non-smoking rooms by management.

(b) Establishments devoted primarily to the retail sale of tobacco products or to the operations of a manufacturer of tobacco products.

(c) Hotel and motel conference or meeting rooms, and public and private assembly rooms, while these places are being used for private functions.

(d) Gaming clubs registered pursuant to Chapter 5 (commencing with Section 19800) of Division 8, facilities used to conduct bingo games pursuant to Section 326.5 of the Penal Code, racetracks, and private boxes and separate smoking lounges in indoor and outdoor sports arenas.

25828. Nothing in this chapter shall be construed to prevent the owner or lessee of any public place from prohibiting smoking entirely on any premises under his or her control.

CHAPTER 5. SIGNS

25836. Smoking and non-smoking areas designated pursuant to this division shall be clearly indicated by the posting of signs.

CHAPTER 6. VENDING MACHINES

25840. It is unlawful to sell tobacco products at retail through a vending machine unless the vending machine is located in one of the following areas:

(a) In an area of a factory, business, office, or other place that is not open to the general public.

(b) *On any public premises, as defined in Section 23039, to which persons under the age of 21 years are denied access pursuant to Section 25665.*

(c) *On other premises to which persons under the age of 18 years are not permitted access.*

(d) *In any other place, but only if the machine is operated by the activation of an electronic switch by the licensee, or by an employee of the licensee, prior to each purchase.*

25842. *The person liable for a violation of Section 25840 is the person authorizing the installation or placement of the tobacco products vending machine upon premises he or she manages or otherwise controls and under circumstances in which he or she has knowledge, or otherwise should have grounds for knowledge, of the violation.*

CHAPTER 7. BILLBOARDS

25844. *No person shall advertise or cause to be advertised tobacco products on any outdoor billboard located within 500 feet of any public or private elementary school, junior high school, or high school. This prohibition shall not apply to advertisements erected or maintained at street level and affixed to business establishments selling tobacco products at retail.*

CHAPTER 8. ENFORCEMENT

25850. *The provisions of Chapter 3 shall be considered occupational safety and health standards under the California Occupational Safety and Health Act of 1973 as amended and shall be enforced as standards under that act.*

25852. *Except as provided in Section 25850, every person who smokes in violation of this division, every person in charge of a place where smoking is prohibited by this division who knowingly permits smoking in violation of this division, every person who fails to post a sign required by this division and every person who violates any other prohibition in this division, shall be guilty of an infraction punishable by a fine not to exceed one hundred dollars (\$100) for a first violation, by a fine not to exceed two hundred dollars (\$200) for a second violation within one year, or by a fine not to exceed five hundred dollars (\$500) for a third violation and for each subsequent violation within one year.*

SEC. 5. Article 1 of Chapter 10.8 (commencing with Section 25940) of Division 20 of the Health and Safety Code is repealed.

Article 1. California Indoor Clean Air Act of 1976

25940. This chapter shall be known and may be cited as the California Indoor Clean Air Act of 1976.

25940.5. The Legislature finds and declares that tobacco smoke is a hazard to the health of the general public.

25941. Within indoor rooms, indoor chambers, or indoor places of public assembly in publicly owned buildings in which public business is conducted requiring or providing direct participation or observation by the general public there shall be a contiguous area of not less than 50 percent of the total area of such room, chamber or place designated and posted by signs of sufficient number and posted in such locations as to be readily seen by persons within such area, where the smoking of tobacco is prohibited while a public meeting is in progress. A public body, commission, agency, or other entity conducting a public meeting may waive the requirements of this section with respect to its own members, provided that the rights of nonsmoking members are not adversely affected.

25942. Every health facility, as defined in Section 1250, and clinic, as defined in Section 1200, shall comply with the following:

(a) Shall make every reasonable effort to assign patients to rooms according to the patient's individual nonsmoking or smoking preference.

(b) Shall designate and post by signs of sufficient number and posted in such locations as to be readily seen by persons within such area, a contiguous area of not less than 20 percent of every cafeteria or other dining area whose occupied capacity is 50 or more persons as a nonsmoking section.

(c) This section shall not prevent any health facility or clinic from banning smoking in any area which it may designate and post by sign or in all areas of the facility or clinic.

25943. Within every publicly owned building open to the general public for the primary purpose of exhibiting any motion picture, stage drama, music recital, or any other performance, with the exception of any indoor sporting event, signs shall be posted in sufficient number and in such locations as to be readily seen by persons within such area, which shall designate that the smoking of tobacco is prohibited in any area other than that commonly known as the lobby. Such prohibition shall not apply except during those times when the building is actually open to the public.

25944. Within every restaurant in a publicly owned building serving food or alcoholic beverages in rooms whose occupied capacity is 50 or more persons there shall be designated and posted by signs of sufficient number and posted in such locations as to be readily seen by persons within such area, a contiguous area of not less than 20 percent of the serving area where the smoking of tobacco is prohibited.

(a) This section shall not apply to banquet rooms in use for private functions.

(b) This section shall not apply to premises under lease as a restaurant for such time as the lessee of record on January 1, 1977, has a lease as the operator of the restaurant.

(c) As used in this section, "restaurant" means any place designated as a restaurant by Section 28522.

25945. Any person may apply for a writ of mandate to compel compliance by any public entity which has not complied with the requirements of this chapter for the designating or posting of nonsmoking areas or areas where the smoking of tobacco is prohibited. If judgment is given for the applicant, he may recover all reasonable costs of suit, including reasonable attorney fees, reasonableness to be determined by the court.

25946. The Legislature declares its intent not to preempt the field of regulation of the smoking of tobacco. A local governing body may ban completely the smoking of tobacco, or may regulate such smoking in any manner not inconsistent with this chapter or any other provision of state law.

25947. (a) Except as provided in subdivision (b), no person shall smoke any tobacco product in any retail food production and marketing establishment, as defined in Section 28802, during such hours as the establishment is open to the public.

(b) The provisions of subdivision (a) shall not apply to that portion of an establishment subject to Section 25944 nor to an area of an establishment set aside for employee smoking and not open to the public.

SEC. 6. Section 25949.6 of the Health and Safety Code is repealed.

25949.6. This article does not preempt any local ordinance on the same subject where a local ordinance is more restrictive to the benefit of the nonsmoker.

SEC. 7. Section 308 of the Penal Code is amended to read:

308. (a) (1) Every person, firm, or corporation ~~which~~ *that* knowingly sells, gives, or in any way furnishes to another person who is under the age of 18 years any tobacco, cigarette, or cigarette papers, or any other preparation of tobacco, or any other instrument or paraphernalia that is designed for the smoking or ingestion of tobacco, products prepared from tobacco, or ~~any~~ *a* controlled substance, is subject to either a criminal action for a misdemeanor or to a civil action brought by a city attorney, a county counsel, or a district attorney, punishable by a fine of ~~two hundred dollars (\$200) for the first offense, five hundred dollars (\$500) for the second offense, and one thousand dollars (\$1,000) for the third offense.~~ *five hundred dollars (\$500) for a first violation, one thousand dollars (\$1,000) for a second violation within two years of the first violation, two thousand dollars (\$2,000) for a third violation within two years of the second violation, and two thousand dollars (\$2,000) for any violation within two years of a violation subsequent to the third violation.*

(2) *A fine imposed on a person, firm, or corporation for a violation of this subdivision that is a first violation or that occurs more than two years after any other violation of this subdivision shall be waived and any subsequent violation of this subdivision shall be deemed a first violation if the person, firm, or corporation clearly establishes that he, she, or it acted in good faith to prevent the violation and that the violation occurred despite the exercise of due diligence by the person, firm, or corporation. For purposes of this paragraph, a person, firm, or corporation shall be deemed to have exercised due diligence if the person, firm, or corporation complies with subdivisions (d) and (e).*

(3) Notwithstanding Section 1464 or any other provision of law, 25 percent of each civil and criminal penalty collected pursuant to this subdivision shall be paid to the office of the city attorney, county counsel, or district attorney, whoever is responsible for bringing the successful action, and 25 percent of each civil and criminal penalty collected pursuant to this subdivision shall be paid to the city or county for the administration and cost of the community service work component provided in subdivision ~~(b)~~ (c) .

(4) Proof that a defendant, or his or her employee or agent, demanded, was shown, and reasonably relied upon evidence of majority shall be *a* defense to any action brought pursuant to this subdivision. Evidence of majority of a person is a facsimile of or a reasonable likeness of a document issued by a federal, state, county, or municipal government, or subdivision or agency thereof, including, but not limited to, a motor vehicle operator's license, a registration certificate issued under the ~~Federal~~ *federal* Selective Service Act, or an identification card issued to a member of the armed forces.

(b) For purposes of this section, the person liable for selling or furnishing tobacco products to minors by a tobacco *products* vending machine shall be the person authorizing the installation or placement of the tobacco vending machine upon premises he or she manages or otherwise controls and under circumstances in which he or she has knowledge, or should otherwise have grounds for knowledge, that the tobacco products vending machine will be utilized by minors.

~~(b)~~ (c) Every person under the age of 18 years who purchases or receives any tobacco, cigarette, or cigarette papers, or any other preparation of tobacco, or any other instrument or paraphernalia that is designed for the smoking of tobacco, products prepared from tobacco, or any controlled substance shall, upon conviction, be punished by a fine of ~~fifty dollars (\$50)~~ *five hundred dollars (\$500)* or ~~25~~ *100* hours of community service work.

~~(e)~~ (d) Every person, firm, or corporation ~~which~~ *that* sells, or deals in tobacco or any preparation thereof, shall post conspicuously and keep so posted in his, her, or their place of business a ~~copy of this act, and any~~, *at each point of purchase within the premises, a sign, no smaller than 8½ by 11 inches, stating the following in no smaller than 28 point type:*

NOTICE—SECTION 308 OF THE PENAL CODE PROHIBITS THE SALE OF TOBACCO PRODUCTS TO PERSONS UNDER 18 YEARS OF AGE AND THE PURCHASE OF TOBACCO PRODUCTS BY PERSONS UNDER 18 YEARS OF AGE.

~~Any such~~ person failing to do so shall upon conviction be punished by a fine of ~~ten dollars (\$10)~~ *one hundred dollars (\$100)* for the first offense and ~~fifty dollars (\$50)~~ *two hundred dollars (\$200)* for each succeeding violation of this provision, or by imprisonment for not more than 30 days.

The Secretary of State is hereby authorized to have printed sufficient copies of this act to enable him or her to furnish dealers in tobacco with copies thereof upon their request for the same.

(e) Every person, firm, or corporation that sells, or deals in tobacco or any preparation thereof, shall notify each individual employed by the person, firm, or corporation as a retail sales clerk that state law prohibits the sale of tobacco products to any person under 18 years of age and the purchase of tobacco products by any person under 18 years of age. This notice shall be provided before the individual commences work as a retail sales clerk or, in the case of an individual employed as a retail sales clerk on the date when this subdivision becomes operative, within 30 days of that date. The individual shall signify that he or she has received the notice required by this subdivision by signing a form stating as follows: "I understand that state law prohibits the sale of tobacco products to persons under the age of 18 and the purchase of tobacco products by persons under the age of 18. I promise, as a condition of my employment, to observe this law." Each form signed by an individual shall indicate the date of signature. The employer shall retain the form signed by each individual employed as a retail sales clerk until 120 days after the individual has left the employer's employ. Any employer failing to comply with the requirements of this subdivision with respect to any employee shall upon conviction be punished by a fine of one hundred dollars (\$100) for the first offense and two hundred dollars (\$200) for each succeeding violation of this subdivision, or by imprisonment for not more than 30 days.

~~(d)~~ (f) For purposes of determining the liability of persons, firms, or corporations controlling franchises or business operations in multiple locations for the second and subsequent violations of this section, each individual franchise or business location shall be deemed a separate entity.

~~(e)~~ It is the Legislature's intent to regulate the subject matter of this section. As a result, no city, county, or city and county shall adopt any ordinance or regulation inconsistent with this section.

~~(f)~~ Notwithstanding any other provision of this section, the Director of Corrections may sell or supply tobacco and tobacco products, including cigarettes and cigarette papers, to any person confined in any institution or facility under his, her, or its jurisdiction who has attained the age of 16 years, if the parent or guardian of the person consents thereto, and may permit smoking by any such person in any such institution or facility. No officer or employee of the Department of Corrections shall be considered to have violated this section by any act authorized by this subdivision.

(g) In addition to other efforts to ensure compliance with this section, every county sheriff, city police chief, and other head of a law enforcement agency responsible for enforcing subdivision (a) shall at least annually conduct unannounced inspections at randomly selected locations where tobacco products are sold or distributed. A person under the age of 18 may be employed to test compliance with subdivision (a) only if the testing is conducted under the direct supervision of a peace officer acting within the scope of his or her official duties and written parental consent for the person's participation has been obtained. Except as provided in this subdivision, every person who, for the purpose of testing compliance of another with subdivision (a), solicits, employs or otherwise aids a minor in the purchase or attempted purchase of any tobacco, cigarette, or cigarette papers, or any other preparation of tobacco, or any other instrument or paraphernalia that is designed for the smoking of tobacco, products prepared from tobacco, or a controlled substance, is guilty of a misdemeanor.

(h) The Attorney General shall prepare for submission annually to the Secretary of the United States Department of Health and Human Services the report required by Section 1926 of Subpart II of Part B of Title XIX of the federal Public Health Service Act (42 U.S.C. Sec. 300x-26).

SEC. 8. Consistent with the finding in Section 1 of this act, the people find and declare that the need for uniform statewide regulation, as set forth in this act, is a matter of statewide concern and uniform statewide regulation of smoking in public places, bars, restaurants, and workplaces, as well as the sale, distribution, advertising, sampling, promotion, or display of tobacco products, is required to maximize public awareness of, and compliance with, this act and is warranted because these activities do not vary from county to county or city to city. This act shall apply, without limitation, to a city, county, and city and county, including a charter city, charter county, or charter city and county. It is the People's intent to regulate the subject matter of this act comprehensively and to occupy the field to the exclusion of local action. Notwithstanding any other provision of law, no ordinance or regulation of any city, county, city and county, including a charter city, charter county, or charter city and county, or other political subdivision of this state, or any local ordinance or regulation adopted by the use of an initiative or other ballot measure, shall in any way attempt to regulate the sale, distribution, advertising, sampling, promotion, or display of tobacco products, or smoking in public places, restaurants, bars, or workplaces.

SEC. 9. The amendment of Section 308 of the Penal Code by this act shall not be construed to in any way affect other statutory prohibitions before or hereafter enacted on the distribution of controlled substance paraphernalia to minors or possession of such paraphernalia, including, but not limited to, Sections 11364, 11364.5, and 11364.7 of the Health and Safety Code.

SEC. 10. This act may be amended by a statute passed by a two-thirds vote of the membership of each house of the Legislature.

SEC. 11. If any provision of this act or its application to any person or circumstance is held invalid, this shall not affect other provisions or applications of this act that can be given effect without the invalid application and to this end the provisions of the act are severable.

SEC. 12. This act shall become effective on the first day of July of the year following its enactment.

BOND ACT SUBMITTED BY LEGISLATURE

*Number
on ballot*

181. **Passenger Rail and Clean Air Bond Act of 1994.** (Statutes 1989, Chapter 108, AB 973, as amended by Statutes 1992, Chapter 25, AB 680; Statutes 1992, Chapter 1310, SB 1691; Statutes 1993, Chapter 478, AB 1089)

[Rejected by electors November 8, 1994.]

PROPOSED LAW

SEC. 4. Chapter 19 (commencing with Section 2703) is added to Division 3 of the Streets and Highways Code, to read:

CHAPTER 19. PASSENGER RAIL AND CLEAN AIR BOND ACT OF 1994

Article 1. General Provisions

2703. This chapter shall be known and may be cited as the Passenger Rail and Clean Air Bond Act of 1994.

2703.01. As used in this chapter, the following terms have the following meanings:

(a) "Committee" means the Passenger Rail Finance Committee created pursuant to Section 2703.12.

(b) "Department" means the Department of Transportation.

(c) "Fund" means the Passenger Rail Bond Fund created pursuant to Section 2703.05.

2703.02. The Legislature has provided that, in addition to the one billion dollars (\$1,000,000,000) authorized pursuant to this chapter, the Passenger Rail and Clean Air Bond Act of 1990 has been submitted for voter approval for the issuance of additional bonds of one billion dollars (\$1,000,000,000) in 1990 and the Passenger Rail and Clean Air Bond Act of 1992 has been submitted for voter approval for the issuance of additional bonds of one billion dollars (\$1,000,000,000) in 1992, for a total of three billion dollars (\$3,000,000,000).

Article 2. Transportation Improvement Program

2703.05. The proceeds of bonds issued and sold pursuant to this chapter shall be deposited in the Passenger Rail Bond Fund, which is hereby created.

2703.06. The money in the fund, upon appropriation by the Legislature, shall be available, without regard to fiscal years, for acquisition of rights-of-way, capital expenditures, and acquisition of rolling stock for intercity rail, commuter rail, and urban rail transit and for capital improvements which directly support rail transportation, including exclusive busways which are converted within 10 years after completion of construction into rail lines, grade separations to enhance rail passenger service, and multimodal terminals.

2703.07. The appropriations for capital improvements and acquisition of rolling stock for intercity rail, commuter rail, and urban rail transit shall be used only on the following routes and corridors and those specified by statutes enacted by the Legislature:

(a) Intercity Rail.

(1) Los Angeles-San Diego.

(2) Santa Barbara County-Los Angeles.

(3) Los Angeles-Fresno-San Francisco Bay area and Sacramento.

(4) San Francisco Bay area-Sacramento-Auburn.

- (5) *San Francisco-Eureka.*
- (6) *Santa Barbara-San Luis Obispo County-San Jose.*
- (b) *Commuter Rail.*
- (1) *San Francisco-San Jose.*
- (2) *San Jose-Gilroy.*
- (3) *Gilroy-Monterey.*
- (4) *Gilroy-Hollister.*
- (5) *Stockton-Livermore.*
- (6) *Orange County-Los Angeles.*
- (7) *Riverside County-Orange County.*
- (8) *San Bernardino County-Los Angeles.*
- (9) *Ventura County-San Fernando Valley-Los Angeles.*
- (10) *Saugus-Los Angeles.*
- (11) *Oceanside-San Diego.*
- (12) *Escondido-Oceanside.*
- (13) *Riverside-Coachella Valley.*
- (14) *Riverside-Los Angeles.*
- (15) *Jackson-Sacramento.*
- (16) *Jackson-Stockton.*
- (c) *Urban Rail Transit.*
- (1) *Sacramento.*
- (A) *Roseville extension.*
- (B) *Hazel extension.*
- (C) *Meadowview extension.*
- (D) *Arena extension.*
- (2) *San Francisco Bay Area Rapid Transit District.*
- (A) *Bayfair-East Livermore.*
- (B) *Concord-East Antioch.*
- (C) *Fremont-Warm Springs.*
- (D) *Daly City-San Francisco International Airport.*
- (E) *Coliseum-Oakland International Airport.*
- (F) *Richmond-Crockett.*
- (G) *Warm Springs-San Jose.*
- (3) *Alameda and Contra Costa Counties.*
- (A) *Pleasanton-Concord.*
- (4) *Santa Clara County.*
- (A) *Sunnyvale-Santa Clara.*
- (B) *San Jose-Vasona.*
- (C) *State Highway Route 237.*
- (5) *San Francisco City and County.*
- (A) *Extensions, improvements, and additions to the San Francisco Municipal Railway.*
- (6) *San Francisco-Santa Rosa-Sonoma.*
- (7) *Santa Cruz County.*
- (A) *Boardwalk area-University of California at Santa Cruz-Watsonville Junction-Davenport.*
- (8) *Los Angeles Metro Rail.*
- (A) *Wilshire/Alvarado-Wilshire/Western.*
- (B) *Wilshire/Alvarado-Lankershim/Chandler.*
- (C) *San Fernando Valley extension.*
- (D) *Union Station-State Highway Routes 5 and 710.*

- (E) *Wilshire/Western-Wilshire/State Highway Route 405.*
- (9) *Los Angeles County Rail Corridors.*
- (A) *San Fernando Valley.*
- (B) *Pasadena-Los Angeles.*
- (C) *Coastal Corridor (Torrance to Santa Monica).*
- (D) *Santa Monica-Los Angeles.*
- (E) *State Highway Route 5.*
- (F) *State Highway Route 110.*
- (10) *San Diego County.*
- (A) *El Cajon-Santee.*
- (B) *Downtown-Old Town.*
- (C) *Airport-Point Loma.*
- (D) *Old Town-Mission Valley.*
- (E) *Mission Valley-La Mesa.*
- (F) *La Jolla-Miramar.*
- (G) *Old Town-Del Mar.*
- (H) *Downtown-Escondido.*
- (I) *Chula Vista-Otay Mesa.*
- (11) *Fullerton-Irvine, with an extension from Santa Ana to Stanton, and an extension to Norwalk.*
- (12) *Riverside/San Bernardino to Orange County, including extensions to Redlands and Hemet.*

2703.08. (a) *At least 15 percent of the money in the fund shall be used for intercity rail purposes and shall be equitably expended on intercity rail corridors based on the relative population served by each corridor.*

(b) *Any intercity rail corridor which was included, on or after January 1, 1992, among the corridors enumerated in Section 2703.07, is eligible to compete for funding under this article. Funds that had been programmed or allocated prior to the inclusion of the additional eligible corridor or corridors need not be reprogrammed or reallocated in order to comply with the requirements of subdivision (a).*

Article 3. Fiscal Provisions

2703.10. *Bonds in the total amount of one billion dollars (\$1,000,000,000), exclusive of refunding bonds, or so much thereof as is necessary, may be issued and sold to provide a fund to be used for carrying out the purposes expressed in this chapter and to be used to reimburse the General Obligation Bond Expense Revolving Fund pursuant to Section 16724.5 of the Government Code. The bonds, when sold, shall be and constitute a valid and binding obligation of the State of California, and the full faith and credit of the State of California is hereby pledged for the punctual payment of both principal of, and interest on, the bonds as the principal and interest become due and payable.*

2703.11. (a) *Except as provided in subdivision (b), the bonds authorized by this chapter shall be prepared, executed, issued, sold, paid, and redeemed as provided in the State General Obligation Bond Law (Chapter 4 (commencing with Section 16720) of Part 3 of Division 4 of Title 2 of the Government Code), and all of the provisions of that law apply to the bonds and to this chapter and are hereby incorporated in this chapter as though set forth in full in this chapter.*

(b) *Notwithstanding any provision of the State General Obligation Bond Law, each issue of bonds authorized by the committee shall have a final maturity of not more than 20 years.*

2703.12. (a) Solely for the purpose of authorizing the issuance and sale, pursuant to the State General Obligation Bond Law, of the bonds authorized by this chapter, the Passenger Rail Finance Committee is hereby created. For purposes of this chapter, the Passenger Rail Finance Committee is "the committee" as that term is used in the State General Obligation Bond Law. The committee consists of the Treasurer, the Director of Finance, the Controller, the Secretary of the Business, Transportation and Housing Agency, and the Director of Transportation, or their designated representatives. The Treasurer shall serve as chairperson of the committee. A majority of the committee may act for the committee.

(b) For purposes of the State General Obligation Bond Law, the department is designated the "board."

2703.13. The committee shall determine whether or not it is necessary or desirable to issue bonds authorized pursuant to this chapter in order to carry out the actions specified in Section 2703.06 and, if so, the amount of bonds to be issued and sold. Successive issues of bonds may be issued and sold to carry out those actions progressively, and it is not necessary that all of the bonds authorized be issued and sold at any one time. The committee shall consider program funding needs, revenue projections, financial market conditions, and other necessary factors in determining the shortest feasible term for the bonds to be issued.

2703.14. There shall be collected each year and in the same manner and at the same time as other state revenue is collected, in addition to the ordinary revenues of the state, a sum in an amount required to pay the principal of, and interest on, the bonds each year. It is the duty of all officers charged by law with any duty in regard to the collection of the revenue to do and perform each and every act which is necessary to collect that additional sum.

2703.15. Notwithstanding Section 13340 of the Government Code, there is hereby appropriated from the General Fund in the State Treasury, for the purposes of this chapter, an amount equal to that sum annually necessary to pay the principal of, and interest on, bonds issued and sold pursuant to this chapter, as the principal and interest become due and payable.

2703.16. (a) Money may be transferred from the fund to the State Transportation Fund to reimburse the Transportation Planning and Development Account and the State Highway Account for expenditures made from those accounts, on and after November 9, 1994, for capital improvements and acquisitions of rolling stock for intercity rail, commuter rail, and urban rail transit in accordance with Chapter 2 (commencing with Section 14520) of Part 5.3 of Division 3 of Title 2 of the Government Code, as specified in Section 2703.06.

(b) The amount that may be transferred pursuant to subdivision (a) shall not exceed the amount expended from those accounts for those capital improvements and acquisitions of rolling stock.

2703.17. The board may request the Pooled Money Investment Board to make a loan from the Pooled Money Investment Account, in accordance with Section 16312 of the Government Code, for purposes of this chapter. The amount of the request shall not exceed the amount of the unsold bonds which the committee has, by resolution, authorized to be sold for the purpose of this chapter, less any amount borrowed pursuant to Section 2703.18. The board shall execute such documents as required by the Pooled Money Investment Board to obtain and repay the loan. Any amount loaned shall be deposited in the fund to be allocated by the board in accordance with this chapter.

2703.18. For the purpose of carrying out this chapter, the Director of Finance may authorize the withdrawal from the General Fund of an amount or amounts not to exceed the amount of unsold bonds which have been authorized by the committee to be sold for the purpose of carrying out this chapter, less any amount borrowed pursuant to Section 2703.17. Any amount withdrawn shall be deposited in the fund. Any money made available under this section shall be returned to the General Fund, plus the interest that the amounts would have earned in the Pooled Money Investment Account, from the sale of bonds for the purpose of carrying out this chapter.

2703.19. All money deposited in the fund which is derived from premium and accrued interest on bonds sold shall be reserved in the fund and shall be available for transfer to the General Fund as a credit to expenditures for bond interest.

2703.20. The bonds may be refunded in accordance with Article 6 (commencing with Section 16780) of the State General Obligation Bond Law.

2703.21. The Legislature hereby finds and declares that, inasmuch as the proceeds from the sale of bonds authorized by this chapter are not "proceeds of taxes" as that term is used in Article XIII B of the California Constitution, the disbursement of these proceeds is not subject to the limitations imposed by that article.

2703.22. Notwithstanding any provision of the State General Obligation Bond Law with regard to the proceeds from the sale of bonds authorized by this chapter that are subject to investment under Article 4 (commencing with Section 16470) of Chapter 3 of Part 2 of Division 4 of Title 2 of the Government Code, the Treasurer may maintain a separate account for investment earnings, order the payment of those earnings to comply with any rebate requirement applicable under federal law, and may otherwise direct the use and investment of those proceeds so as to maintain the tax-exempt status of those bonds and to obtain any other advantage under federal law on behalf of the funds of this state.

2703.23. (a) The department may advance funds in the State Highway Account in the State Transportation Fund for all or a portion of the cost of projects approved for bond funding pursuant to this chapter. The director shall first make a finding that there are adequate funds for the advancement without delaying or adversely affecting any other project. The total amount advanced shall not exceed the amount of the unsold bonds which the committee has, by resolution, authorized to be sold for the purposes of this chapter.

(b) All advances shall be subject to the terms and conditions of an agreement between the department and the public entity which will receive the advancement. The agreement shall contain provisions for reimbursement of the State Highway Account from the proceeds of the next bond sale for funds advanced pursuant to this section. Any amounts advanced pursuant to this section shall be repaid with interest at the rate being earned by the Pooled Money Investment Account at the time of the advance. Interest payments shall be made from the funds of the public entity which received the advancement, other than from the proceeds of bonds authorized by this chapter.

LIST OF OFFICERS

LIST OF OFFICERS
1994
STATE CAPITOL AND OTHER BUILDINGS
Sacramento 95814

Name	Office	Residence
Pete Wilson.....	Governor.....	San Diego
Leo T. McCarthy.....	Lieutenant Governor.....	San Francisco
Tony L. Miller, Acting.....	Secretary of State.....	Sacramento
Gray Davis.....	Controller.....	Los Angeles
Kathleen Brown.....	Treasurer.....	Los Angeles
Daniel E. Lungren.....	Attorney General.....	Roseville
John Garamendi.....	Insurance Commissioner.....	Walnut Grove
William D. Dawson, Acting.....	Superintendent of Public Instruction.....	Sacramento
Bion M. Gregory.....	Legislative Counsel.....	Sacramento

OFFICE OF GOVERNOR

Bob White.....	Chief of Staff
Charles Poochigian.....	Appointments Secretary
Joseph Rodota.....	Cabinet Secretary
Patricia Clarey.....	Deputy Chief of Staff
George Dunn.....	Deputy Chief of Staff
Kevin Sloat.....	Deputy Chief of Staff
Fred L. Beteta, Jr.....	Advance Director
Sally McKeag.....	Correspondence and Constituent Affairs
Janice Rogers Brown.....	Legal Affairs Secretary
Maureen Higgins.....	Legislative Secretary
Sean Walsh.....	Press Secretary
Margo Reid Brown.....	Scheduling Director
Leslie Goodman.....	Communications and Press Relations
Bill Whalen.....	Chief Deputy Communications
Wendy Hopkins.....	Media Relations Director
James Budenhausen.....	Public Affairs Director
Alexa Vuksich.....	Special Projects Director
Lee Grissom.....	Director of Planning & Research
Gary Lew.....	Community Relations Deputy Director
Ira Goldman.....	Trade

Offices: State Capitol, Sacramento 95814

STATE BOARD OF EQUALIZATION

P. O. Box 942879, Sacramento 94279-0001

Name	Office	Residence
Vacant.....	Board Member, First District.....	
Brad Sherman.....	Board Member, Second District.....	Los Angeles
Ernest J. Dronenburg, Jr.....	Board Member, Third District.....	San Diego
Matthew K. Fong.....	Board Member, Fourth District.....	Los Angeles
Gray Davis (Controller).....	Ex-Officio Member.....	Los Angeles
Burton W. Oliver.....	Executive Director.....	Sacramento

LEGISLATIVE DEPARTMENT

UNITED STATES SENATORS

Dianne Feinstein (D) 331 Hart Senate Office Building
 Washington, D.C. 20510
 1111 Santa Monica Blvd., #915, Los Angeles 90025
 1700 Montgomery Street, #305, San Francisco 94111
 750 B Street, #1030, San Diego 92188

Barbara Boxer (D) 112 Hart Senate Office Building
 Washington, D.C. 20510
 2250 E. Imperial Hwy., #545, El Segundo 90245
 1700 Montgomery Street, #240, San Francisco 94111

REPRESENTATIVES IN CONGRESS

Name	Party	District	Counties	Main District Office*
Baker, Bill.....	R	10	Alameda, Contra Costa	1801 N. California, #103 Walnut Creek 94596
Becerra, Xavier.....	D	30	Los Angeles.....	2433 Colorado Blvd. Los Angeles 90041
Beilenson, Anthony C.	D	24	Los Angeles, Ventura	21031 Ventura Blvd., #1010 Woodland Hills 91364
Berman, Howard L.....	D	26	Los Angeles.....	14600 Roscoe Blvd., # 508, Panorama City 91402
Brown, George E., Jr.	D	42	San Bernardino.....	657 N. La Cadena Dr. Colton 92324
Calvert, Ken	R	43	Riverside.....	P.O. Box 5-1992 Riverside 92517
Condit, Gary.....	D	18	Fresno, Madera, Merced, San Joaquin, Stanislaus	920 13th St. Modesto 95354
Cox, Christopher	R	47	Orange.....	4000 MacArthur Blvd., # 430 Newport Beach 92660
Cunningham, Randy	R	51	San Diego	13832 Mercado Dr. Del Mar 92014
Dellums, Ronald V.	D	9	Alameda	201 13th St., # 105 Oakland 94612
Dixon, Julian.....	D	32	Los Angeles.....	5100 W. Goldleaf Cir., #208 Los Angeles 90056
Dooley, Calvin M.....	D	20	Fresno, Kern, Kings, Tulare	711 N. Court St. Visalia 93279
Doolittle, John T.....	R	4	Alpine, Amador, Calaveras, El Dorado, Mono, Placer, Sacramento, Tuolumne	2130 Professional Dr., #190 Roseville 95661
Dornan, Robert K.	R	46	Orange.....	300 Alicante Plaza, #360 Garden Grove 92640
Dreier, David.....	R	28	Los Angeles.....	112 N. Second Ave. Covina 91723
Edwards, Don	D	16	Santa Clara	1042 W. Hedding St., #100 San Jose 95126
Eshoo, Anna G.....	D	14	San Mateo, Santa Clara	40 Isabella Ave. Atherton 94072
Farr, Sam.....	D	17	Monterey, San Benito, Santa Cruz.....	380 Alvarado Street Monterey 93940
Fazio, Vic	D	3	Butte, Colusa, Glenn, Sacramento, Solano, Sutter, Tehama, Yolo	2525 Natomas Park Dr., #330 Sacramento 95833
Filner, Bob.....	D	50	San Diego	P.O. Box 127868 San Diego 92112
Galglegly, Elton	R	23	Santa Barbara, Ventura.....	P.O. Box 3789 Simi Valley 93093
Hamburg, Dan	D	1	Del Norte, Humboldt, Lake, Mendocino, Napa, Solano, Sonoma.....	1330 Boonville Rd. Ukiah 95482
Harman, Jane	D	36	Los Angeles.....	One Westwind St. Marina del Rey 90292
Herger, Wally.....	R	2	Butte, Lassen, Modoc, Nevada, Plumas, Shasta, Sierra, Siskiyou, Trinity, Yuba.....	55 Declaration Dr., #104 Chico 95926
Horn, Steve.....	R	38	Los Angeles.....	3944 Pine Ave. Long Beach 90802
Huffington, Michael.....	R	22	San Luis Obispo, Santa Barbara..	757 River Rock Rd. Santa Barbara 93108
Hunter, Duncan	R	52	Imperial, San Diego.....	4 The Inlet Coronado 92118

REPRESENTATIVES IN CONGRESS—Continued

Name	Party	District	Counties	Main District Office*
Kim, Jay C.....	R	41	Los Angeles, Orange, San Bernardino.....	P.O. Box 4353 Diamond Bar 91765
Lantos, Tom.....	D	12	San Francisco, San Mateo.....	1230 Southdown Rd. Hillsborough 94010
Lehman, Richard H.....	D	19	Fresno, Madera, Mariposa, Tulare	P.O. Box 829 Fresno 93712
Lewis, Jerry.....	R	40	Inyo, San Bernardino.....	1294 W. Sunset Dr. Redlands 92373
Martinez, Matthew C.....	D	31	Los Angeles.....	400 North Montebello Blvd., #100 Montebello 90640
Matsui, Robert T.....	D	5	Sacramento.....	650 Capitol Mall, #8058 Sacramento 95814
McCandless, Alfred E. ...	R	44	Riverside.....	P.O. Box 1495 Palm Desert 92261
McKeon, Howard P.....	R	25	Los Angeles.....	18960 Soledad Cyn. Rd. Santa Clarita 91351
Miller, George.....	D	7	Contra Costa, Solano.....	367 Civic Dr., #14 Pleasant Hill 94523
Mineta, Norman Y.....	D	15	Santa Clara, Santa Cruz.....	1245 S. Winchester Blvd. San Jose 95128
Moorhead, Carlos J.....	R	27	Los Angeles.....	420 N. Brand Blvd., #304, Glendale 91203
Packard, Ron.....	R	48	Orange, Riverside, San Diego.....	221 E. Vista Way, #205 Vista 92084
Pelosi, Nancy.....	D	8	San Francisco.....	2640 Broadway San Francisco 94115
Pombo, Richard.....	R	11	Sacramento, San Joaquin.....	2825 N. Naglee Rd. Tracy 95367
Rohrabacher, Dana.....	R	45	Orange.....	16162 Beach Blvd., #304 Huntington Beach 92674
Roybal-Allard, Lucille.....	D	33	Los Angeles.....	225 E. Temple St., #1860 Los Angeles 90012
Royce, Edward.....	R	39	Los Angeles, Orange.....	305 N. Harbor Blvd., #300 Fullerton 92632
Schenk, Lynn.....	D	49	San Diego.....	8304 Clairemont Mesa San Diego 92111
Stark, Fortney P.....	D	13	Alameda, Santa Clara.....	22320 Foothill Blvd., #500 Hayward 94541
Thomas, William M.....	R	21	Kern, Tulare.....	P.O. Box 9301 Bakersfield 93301
Torres, Esteban E.....	D	34	Los Angeles.....	8819 Whittier Blvd. Pico Rivera 90660
Tucker, Walter.....	D	37	Los Angeles.....	322 W. Compton Blvd., #100 Compton 90220
Waters, Maxine.....	D	35	Los Angeles.....	4509 S. Broadway Los Angeles 90037
Waxman, Henry A.....	D	29	Los Angeles.....	8436 W. 3rd St., #600 Los Angeles 90048
Woolsey, Lynn.....	D	6	Marin, Sonoma.....	1301 Redwood Way, #205 Petaluma 94954

* During Sessions of Congress, mail for Members of the Senate may be addressed: Senate Office Building, Washington, D.C. 20510, and Members of the House of Representatives: House Office Building, Washington, D.C. 20515.

THE STATE LEGISLATURE

MEMBERS OF THE SENATE

Name	Occupation	Party	Dist.	Counties	District Address
Alquist, Alfred E.....	Full-time Legislator	D	13	Santa Clara	100 Paseo de San Antonio, Suite 209, San Jose 95113
Ayala, Ruben S.....	Insurance.....	D	34	Los Angeles, San Bernardino.....	9620 Center Avenue, Suite 100, Rancho Cucamonga 91730
Bergeson, Marian.....	Full-time Legislator	R	35	Orange	140 Newport Center Dr., Suite 120, Newport Beach 92660
Beverly, Robert G.....	Attorney	R	27	Los Angeles	1611 S. Pacific Coast Highway, Suite 102, Redondo Beach 90277; 638 S. Beacon St., Suite 508, San Pedro 90731
Boatwright, Daniel.....	Attorney	D	7	Alameda, Contra Costa.....	1001 Galaxy Way, Suite 210, Concord 94520; 420 W. Third Street, Antioch 94509
Calderon, Charles M...	Attorney	D	26	Los Angeles.....	400 N. Montebello Blvd., #101, Montebello 90640
Campbell, Tom	Educator.....	R	11	San Mateo, Santa Clara.....	373 First St., Suite 100, Los Altos 94022
Craven, William A.	Full-time Legislator	R	38	San Diego, Orange...	2121 Palomar Airport Rd., Suite 100, Carlsbad 92008
Dills, Ralph C.	Full-time Legislator	D	30	Los Angeles.....	16921 S. Western Ave., Suite 101, Cardena 90247
Greene, Leroy F.....	Civil Engineer	D	6	Sacramento.....	P.O. Box 254646, Sacramento 95825
Hart, Gary	Educator	D	18	Santa Barbara, San Luis Obispo.....	1216 State St., Room 507, Santa Barbara 93101
Hayden, Tom.....	Teacher.....	D	23	Los Angeles.....	10951 W. Pico Blvd., #202, Los Angeles 90064
Vacancy		29	Los Angeles.....	15820 Whittier Blvd., Suite H, Whittier 90603
Hughes, Teresa.....	Education- Professor	D	25	Los Angeles.....	1 Manchester Blvd., Suite 401, Inglewood 90301
Hurtt, Rob	Businessman	R	32	Orange.....	11642 Knott St., Suite 8, Garden Grove 92641
Johannessen, Maurice .	Businessman	R	4	Butte, Colusa, Glenn, Lake, Napa, Shasta, Sonoma, Tehama...	410 Hemsted Dr., Suite 200, Redding 96002
Johnston, Patrick.....	Full-time Legislator	D	5	Sacramento, San Joaquin	31 East Channel St., Room 440, Stockton 95202
Kelley, David G.....	Citrus Rancher.....	R	37	Imperial, Riverside, San Diego	2550 5th Ave., Suite 152, San Diego 92103
Killea, Lucy L.	Full-time Legislator	I	39	San Diego	2550 5th Ave., Suite 152, San Diego 92103
Kopp, Quentin L.....	Attorney at Law.....	I	8	San Francisco, San Mateo.....	363 El Camino Real, Suite 205, South San Francisco 94080
Leonard, Bill.....	Legislator/ Businessman	R	31	Riverside, San Bernardino.....	400 North Mountain Ave., Suite 109, Upland 91786
Leslie, Tim	Realtor	R	1	Alpine, Amador, Butte, Calaveras, El Dorado, Lassen, Modoc, Mono, Nevada, Placer, Plumas, Sierra, Yuba	1200 Melody Lane, Suite 110, Roseville 95678
Lewis, John R.	Businessman	R	33	Orange.....	1940 W. Orangewood Ave., Suite 106, Orange 92668
Lockyer, Bill.....	Full-time Legislator	D	10	Alameda	22634 Second St., Suite 104, Hayward 94541
Maddy, Ken.....	Attorney	R	14	Fresno, Madera, Mariposa, Merced, Monterey, San Luis Obispo, Santa Barbara	2503 West Shaw Ave., Suite 101, Fresno 93711
Marks, Milton.....	Attorney	D	3	Marin, San Francisco, Sonoma.....	711 Van Ness Ave., Suite 310, San Francisco 94102; 30 N. San Pedro Rd., Suite 160, San Rafael 94903

MEMBERS OF THE SENATE—Continued

Name	Occupation	Party	Dist.	Counties	District Address
McCorquodale, Dan....	Educator.....	D	12	Madera, Mariposa, Merced, Tuolumne, Stanislaus.....	1020 15th St., Suite 10, Modesto 95354
Mello, Henry.....	Farmer/ Businessman.....	D	15	Monterey, San Benito, Santa Clara, Santa Cruz.....	1200 Aguajito Road, Monterey 93940; 701 Ocean Street, Room 318A, Santa Cruz 95060; 240 Church Street, Room 115, Salinas 93901; 92 Fifth Street, Gilroy 95020
Peace, Steve.....	Financial Officer.....	D	40	San Diego.....	430 Davidson St., Suite B, Chula Vista 91910
Petris, Nicholas C.....	Attorney.....	D	9	Alameda, Contra Costa.....	1970 Broadway, Suite 1020, Oakland 94612; 2560 MacDonald Ave., Richmond 94804
Presley, Robert B.....	Law Enforcement....	D	36	Riverside.....	3600 Lime St., Room 111, Riverside 92501
Roberti, David.....	Attorney.....	D	20	Los Angeles.....	6150 Van Nuys Blvd., Suite 400, Van Nuys 91401
Rogers, Don.....	Geological Consultant.....	R	17	Inyo, Kern, Los Angeles, San Bernardino.....	P.O. Box 902725, Palmdale 93590
Rosenthal, Herschel....	Full-time Legislator.....	D	22	Los Angeles.....	1950 Sawtelle Blvd., Suite 210, Los Angeles 90025
Russell, Newton R.....	Full-time Legislator.....	R	21	Los Angeles.....	401 North Brand Blvd., Suite 424, Glendale 91203
Thompson, Mike.....	Full-time Representative.	D	2	Del Norte, Hum- boldt, Mendocino, Solano, Sonoma....	50 D St., Suite 120A, Santa Rosa 95404
Torres, Art.....	Full-time Legislator.....	D	24	Los Angeles.....	101 S. Broadway, Suite 2105, Los Angeles 90012
Watson, Diane.....	Educator-School Psychologist.....	D	28	Los Angeles.....	4401 Crenshaw Blvd., Suite 300, Los Angeles 90043
Wright, Cathie.....	Full-time Legislator.....	R	19	Los Angeles, Ventura	2345 Erringer Rd., Suite 212, Simi Valley 93065
Wyman, Phil.....	Rancher- Businessman.....	R	16	Kern, Kings, Tulare, Fresno, Madera....	1326 H St., Suite 15, Bakersfield 93301; 901 N. Irwin, Hanford 93230; 936 N. Van Ness, Fresno 93728

OFFICERS AND ATTACHÉS OF THE SENATE

Title	Name	Capitol Office
President of Senate.....	Leo McCarthy.....	1114 State Capitol
President pro Tempore.....	Bill Lockyer.....	205 State Capitol
Secretary of Senate.....	Rick Rollens.....	3044 State Capitol
Sergeant at Arms.....	Tony Beard.....	3030 State Capitol
Chaplain.....	Rev. Deacon Walter J. Little III.....	3044 State Capitol
Chief Assistant Secretary.....	John W. Rovane IV.....	3044 State Capitol
Minute Clerk.....	Walter J. Little III.....	3044 State Capitol
History Clerk.....	David H. Kneale.....	3044 State Capitol
Assistant Secretary.....	Steve Hummelt.....	3044 State Capitol
File Clerk.....	Carl Bomar.....	3044 State Capitol
Engrossing and Enrolling Clerk.....	Marie Harlan.....	B30 State Capitol

MEMBERS OF THE ASSEMBLY

Name	Occupation	Party	Dist.	Capitol Office	Counties	District Office Mailing Address
Aguiar, Fred.....	Legislator/ Businessman.....	R	61	5126	Los Angeles, San Bernardino.....	304 West F Street, Ontario 91762
Alby, Barbara.....	Businesswoman.....	R	5	4116	Sacramento.....	4811 Chippendale Drive, Suite 501, Sacramento 95841
Allen, Doris.....	Small Business Owner.....	R	67	4153	Orange.....	5252 Orange Avenue, Suite 100, Cypress 90630
Alpert, Dede.....	Full-time Legislator.....	D	78	3173	San Diego.....	3262 Holiday Court, La Jolla 92037
Andal, Dean.....	Businessman.....	R	17	4167	San Joaquin.....	31 E. Channel Street, Suite 306, Stockton 95202
Archie-Hudson, Marguerite.....	Administrator/ Educator.....	D	48	5016	Los Angeles.....	8510 S. Broadway, Los Angeles 90003
Areias, Rusty.....	Dairy Farmer.....	D	28	5136	Monterey, San Benito, Santa Clara, Santa Cruz.....	140 Central Avenue, Salinas 93901
Baca, Joe.....	Businessman/ Legislator.....	D	62	5128	San Bernardino.....	201 North E Street, San Bernardino 92401
Bates, Tom.....	Full-time Legislator.....	D	14	446	Alameda, Contra Costa.....	1414 Walnut St., Suite 9, Berkeley 94709
Boland, Paula.....	Realtor/ Businesswoman.....	R	38	3098	Los Angeles, Ventura.....	10727 White Oak Avenue, Suite 124, Granada Hills 91344
Bornstein, Julie.....	Legislator/ College Instructor.....	D	80	2179	Imperial, Riverside.....	72-880 Fred Waring Drive, Suite A-4, Palm Desert 92260
Bowen, Debra.....	Public Law Attorney.....	D	53	3126	Los Angeles.....	18411 Crenshaw Blvd., Suite 280, Torrance 90504
Bowler, Larry.....	Retired Sheriff's Lieutenant.....	R	10	3147	Sacramento, San Joaquin.....	10370 Old Placerville Rd., Suite 106, Sacramento 95827
Bronshvag, Vivien.....	Interior Designer.....	D	6	4139	Marin, Sonoma.....	100 Smith Ranch Road, Suite 308, San Rafael 94903
Brown, Valerie.....	Educator/ Businesswoman.....	D	7	2130	Napa, Solano, Sonoma.....	50 D Street, Suite 301, Santa Rosa 95404
Brown, Willie L., Jr.....	Attorney.....	D	13	219	San Francisco.....	455 Golden Gate Ave., Suite 2202, San Francisco 94102
Brulte, James.....	Full-time Legislator.....	R	63	2114	San Bernardino.....	10681 Foothill Boulevard, Suite 325, Rancho Cucamonga 91730
Burton, John.....	Attorney.....	D	12	3152	San Francisco, San Mateo.....	455 Golden Gate Ave., Suite 2220, San Francisco 94102
Bustamante, Cruz M.....	Full-time Legislator.....	D	31	4144	Fresno, Tulare.....	2550 Mariposa, Suite 5006, Fresno 93721
Caldera, Louis.....	Attorney.....	D	46	2148	Los Angeles.....	304 S. Broadway, Suite 580, Los Angeles 90013
Campbell, Robert.....	Insurance Broker.....	D	11	2163	Contra Costa.....	815 Estudillo Street, Martinez 94553
Cannella, Sal.....	Full-time Legislator.....	D	26	5155	Merced, San Joaquin, Stanislaus.....	950 10th St., Suite 8, Modesto 95354
Connolly, Tom.....	Child's Advocate.....	D	77	2176	San Diego.....	3293 Olive Street, Lemon Grove 91945
Conroy, Mickey.....	USMC (Ret.)/ Businessman.....	R	71	4102	Orange.....	1940 N. Tustin, # 102, Orange 92665
Cortese, Dominic.....	Farmer/ Businessman.....	D	23	6031	Santa Clara.....	100 Paseo de San Antonio, Suite 300, San Jose 95113
Costa, Jim.....	Full-time Legislator.....	D	30	2158	Fresno, Kern, Kings, Madera.....	1111 Fulton Mall, Suite 914, Fresno 93721
Ducheny, Denise Moreno.....	Attorney.....	D	79	2170	San Diego.....	430 Davidson Street, Suite B, Chula Vista 91910
Eastin, Delaine.....	Full-time Legislator.....	D	20	3003	Alameda, Santa Clara.....	39650 Liberty St., Suite 160, Fremont 94538
Epple, Bob.....	Attorney.....	D	56	4126	Los Angeles.....	4425 Atlantic Avenue, Suite 22, Long Beach 90807

MEMBERS OF THE ASSEMBLY—Continued

Name	Occupation	Party	Dist.	Capitol Office	Counties	District Office Mailing Address
Escutia, Martha.....	Attorney	D	50	2137	Los Angeles.....	3512 E. Florence Ave., Suite 201, Huntington Park 90255
Ferguson, Gil.....	Business Owner...	R	70	5135	Orange.....	4667 MacArthur Blvd., Suite 305, Newport Beach 92660
Frazee, Robert.....	Businessman	R	74	6028	San Diego	2121 Palomar Airport Road, Suite 105, Carlsbad 92009
Friedman, Barbara..	Full-time Legislator	D	40	5150	Los Angeles.....	3400 West Sixth St., Suite 401, Los Angeles 90020
Friedman, Terry B..	Attorney	D	41	2141	Los Angeles.....	14144 Ventura Blvd., Suite 100, Sherman Oaks 91423
Goldsmith, Jan	Full-time Legislator	R	75	2002	San Diego	12307 Oak Knoll, Suite A, Poway 92064
Gotch, Mike.....	Full-time Legislator	D	76	3120	San Diego	1080 University Ave., Suite H-201, San Diego 92103
Hannigan, Tom.....	Realtor	D	8	3104	Sacramento, Solano, Yolo.....	844 Union Ave., Suite A, Fairfield 94533
Harvey, Trice.....	Full-time Legislator	R	32	4162	Kern, Tulare.....	1800 30th Street, Suite 101, Bakersfield 93301
Hauser, Dan	Full-time Legislator	D	1	2003	Del Norte, Humboldt, Lake, Mendocino, Sonoma.....	State Building, 50 D St., Suite 450, Santa Rosa 95404
Haynes, Ray.....	Businessman	R	66	4158	Riverside, San Diego..	29377 Rancho California Road, Suite 102, Temecula 92591
Hoge, Bill	Businessman	R	44	4177	Los Angeles.....	1276 E. Colorado Blvd., Suite 203, Pasadena 91106
Honeycutt, Kathleen.....	Businesswoman/ Homemaker	R	34	4009	Inyo, Kern, San Bernardino.....	15888 Main St., Suite 202, Hesperia 92345
Horcher, Paul.....	Attorney	R	60	3123	Los Angeles.....	16209 E. Whittier Blvd., Whittier 90603
Isenberg, Phil.....	Attorney	D	9	6005	Sacramento	1215 15th Street, Suite 102, Sacramento 95814
Johnson, Ross.....	Attorney	R	72	3151	Orange.....	1501 N. Harbor Blvd., Suite 201, Fullerton 92635
Jones, Bill	Businessman/ Rancher	R	29	5160	Fresno, Tulare	2929 W. Main St., Suite J, Visalia 93291
Karnette, Betty.....	Teacher (Retired) / Legislator	D	54	5158	Los Angeles.....	211 E. Ocean, Suite 300, Long Beach 90802
Katz, Richard	Small Businessman	D	39	3146	Los Angeles.....	9140 Van Nuys Blvd., Suite 109, Panorama City 91402
Klehs, Johan	Full-time Legislator	D	18	2013	Alameda.....	2450 Washington Ave., Suite 270, San Leandro 94577
Knight, W. J. "Pete"	Full-time Legislator	R	36	4005	Los Angeles.....	1529 E. Palmdale Blvd., Suite 308, Palmdale 93550
Knowles, David	Small Businessman/ Legislator	R	4	5175	Alpine, Amador, Calaveras, El Dorado, Mono, Placer	3161 Cameron Park Dr., #214, Cameron Park 95682
Lee, Barbara.....	Full-time Legislator	D	16	4146	Alameda.....	405 14th St., Suite 715, Oakland 94612
Margolin, Burt	Full-time Legislator	D	42	4112	Los Angeles.....	8425 West 3rd St., Suite 406, Los Angeles 90048
Martinez, Diane	Full-time Legislator	D	49	5119	Los Angeles.....	320 S. Garfield Ave., Suite 202, Alhambra 91801
McDonald, Juanita..	Educator/ Administrator....	D	55	2196	Los Angeles.....	1 Civic Plaza Dr., Suite 320, Carson 90745
McPherson, Bruce..	Businessman	R	27	4017	Monterey, Santa Cruz.	701 Ocean St., Suite 318B, Santa Cruz 90560
Moore, Gwen	Full-time Legislator	D	47	2117	Los Angeles.....	3683 Crenshaw Blvd., 5th Floor, Los Angeles 90016

MEMBERS OF THE ASSEMBLY—Continued

Name	Occupation	Party	Dist.	Capitol Office	Counties	District Office Mailing Address
Morrow, Bill	Attorney-at-Law ..	R	73	2111	Orange, San Diego	3088 Pio Pico, Carlsbad 92008
Mountjoy, Richard ..	General Contractor	R	59	2175	Los Angeles	208 North 1st Ave., Arcadia 91006
Murray, Willard	Full-time Legislator	D	52	3091	Los Angeles	16444 South Paramount Blvd., Suite 100, Paramount 90723
Napolitano, Grace ...	Full-time Legislator	D	58	6011	Los Angeles	P.O. Box 408, Norwalk 90650
O'Connell, Jack	Teacher	D	35	3160	Santa Barbara, Ventura	228 W. Carrillo, Suite F, Santa Barbara 93101
Polanco, Richard	Full-time Legislator	D	45	2188	Los Angeles	110 North Avenue 56, Los Angeles 90042
Pringle, Curt	Small Businessman	R	68	4164	Orange	12865 Main Stt., Suite 100, Garden Grove 92640
Quackenbush, Charles	Businessman	R	24	4130	Santa Clara, Santa Cruz	456 El Paseo de Saratoga, San Jose 95130
Rainey, Richard	Full-time Legislator	R	15	4015	Alameda, Contra Costa	P.O. Box 4893, Walnut Creek 94596
Richter, Bernie	Businessman	R	3	4208	Butte, Lassen, Modoc, Nevada, Plumas, Sierra, Yuba	2545 Zanella Way, Suite D, Chico 95928
Rogan, James E.	Legislator	R	43	6017	Los Angeles	143 South Glendale Ave., Suite 208, Glendale 91205
Seastrand, Andrea ...	Full-time Legislator	R	33	3141	San Luis Obispo, Santa Barbara	523 Higuera St., San Luis Obispo 93401
Sher, Byron	Law Professor	D	21	2136	San Mateo, Santa Clara	702 Marshall St., Suite 290, Redwood City 94063
Snyder, Margaret ...	Paralegal	D	25	5144	Fresno, Madera, Mariposa, Stanislaus, Tuolumne	1608 Sunrise, Suite B, Modesto 95350
Solis, Hilda	Full-time Legislator	D	57	4117	Los Angeles	218 N. Glendora Ave., Suite D, La Puente 91744
Speier, Jackie	Attorney	D	19	4140	San Mateo	220 South Spruce St., Suite 101, South San Francisco 94080
Statham, Stan	Businessman	R	2	4098	Butte, Colusa, Glenn, Shasta, Siskiyou, Sutter, Tehama, Trinity, Yolo	410 Hemstead Dr., Suite 210, Redding 96002
Takasugi, Nao	Businessman/ Legislator	R	37	2016	Ventura	221 E. Dailey Dr., Suite 7, Camarillo 93010
Tucker, Curtis, Jr. ..	Full-time Legislator	D	51	4016	Los Angeles	P.O. Box 6500, 1 Manchester Blvd., Inglewood 90306
Umberg, Tom	Criminal Prosecutor	D	69	448	Orange	12822 Garden Grove Blvd., Suite A, Garden Grove 92643
Vasconcellos, John ...	Lawyer	D	22	6026	Santa Clara	100 Paseo de San Antonio, #106, San Jose 95113
Weggeland, Ted	Businessman	R	64	2174	Riverside	6840 Indiana Ave., Suite 150, Riverside 92506
Woodruff, Paul	Businessman	R	65	5164	Riverside, San Bernardino	300 E. State St., Suite 480, Redlands 92373

OFFICERS OF THE ASSEMBLY

Name	Title	Mailing Address
Brown, Willie L., Jr.	Speaker	455 Golden Gate Ave., Suite 2202, San Francisco 94102
O'Connell, Jack	Speaker pro Tempore	228 W. Carrillo, Suite F, Santa Barbara 93101
Polanco, Richard	Assistant Speaker pro Tempore ..	110 North Avenue 56, Los Angeles 90042
Hannigan, Thomas	Majority Floor Leader	844 Union Ave., Suite A, Fairfield 94533
Brulte, James	Minority Floor Leader	10681 Foothill Boulevard, Suite 325, Rancho Cucamonga 91730
E. Dotson Wilson	Chief Clerk	State Capitol, Room 3196, Sacramento 95814
Bell, Charles E.	Sergeant at Arms	State Capitol, Room 3171, Sacramento 95814
Boswell, Hamilton T.	Chaplain	225 Water St., Point Richmond 94801

STATE JUDICIAL DEPARTMENT

SUPREME COURT JUSTICES AND OFFICERS

Terms of Court

Sessions of Court are held at San Francisco, Los Angeles and Sacramento

JUSTICES

Hon. Malcolm M. Lucas	Chief Justice
Hon. Stanley Mosk	Associate Justice
Hon. Edward A. Panelli	Associate Justice
Hon. Joyce L. Kennard	Associate Justice
Hon. Armand Arabian	Associate Justice
Hon. Marvin R. Baxter	Associate Justice
Hon. Ronald M. George	Associate Justice
Robert F. Wandruff	Clerk/Administrator

COURTS OF APPEAL

FIRST APPELLATE DISTRICT

DIVISION ONE

Hon. Gary E. Strankman	Presiding Justice
Hon. William A. Newsom	Associate Justice
Hon. Robert Dossee	Associate Justice
Hon. William D. Stein	Associate Justice

DIVISION TWO

Hon. J. Anthony Kline	Presiding Justice
Hon. Jerome A. Smith	Associate Justice
Hon. John E. Benson	Associate Justice
Hon. Michael J. Phelan	Associate Justice

DIVISION THREE

Hon. Clinton W. White	Presiding Justice
Hon. Ming Chin	Associate Justice
Hon. Robert Merrill	Associate Justice
Hon. Kathryn Werdegar	Associate Justice

DIVISION FOUR

Hon. Carl W. Anderson	Presiding Justice
Hon. Marcel B. Poche	Associate Justice
Hon. Timothy Reardon	Associate Justice
Hon. James F. Perley	Associate Justice

DIVISION FIVE

Hon. J. Clinton Peterson	Presiding Justice
Hon. Donald B. King	Associate Justice
Hon. Zerme P. Haning	Associate Justice
Ron D. Barrow	Clerk

303 Second Street, Suite 600, Marathon Plaza—South Tower, San Francisco 94107

SECOND APPELLATE DISTRICT

DIVISION ONE

Hon. Vaino Spencer	Presiding Justice
Hon. Miriam A. Vogel	Associate Justice
William A. Masterson	Associate Justice
Hon. Reuben A. Ortega	Associate Justice

300 So. Spring St., Los Angeles 90013

DIVISION TWO

Hon. Roger Boren	Presiding Justice
Hon. Michael G. Nott	Associate Justice
Hon. Donald N. Gates	Associate Justice
Hon. Morio L. Fukuto	Associate Justice

300 So. Spring St., Los Angeles 90013

DIVISION THREE

Hon. Joan D. Klein.....	Presiding Justice
Hon. Edward A. Hinz.....	Associate Justice
Hon. H. Walter Croskey.....	Associate Justice
Hon. Patti Kitchiting.....	Associate Justice

300 So. Spring St., Los Angeles 90013

DIVISION FOUR

Hon. Arleigh Woods.....	Presiding Justice
Hon. Norman L. Epstein.....	Associate Justice
Hon. Charles Vogel.....	Associate Justice
Hon. J. Gary Hastings.....	Associate Justice

300 So. Spring St., Los Angeles 90013

DIVISION FIVE

Hon. Paul R. Turner.....	Presiding Justice
Hon. Orville A. Armstrong.....	Associate Justice
Hon. Margaret Grignon.....	Associate Justice

300 So. Spring St., Los Angeles 90013

DIVISION SIX

Hon. Steven Stone.....	Presiding Justice
Hon. Arthur Gilbert.....	Associate Justice
Hon. Kenneth R. Yegan.....	Associate Justice

1280 So. Victoria Ave., Ventura 93003

DIVISION SEVEN

Hon. Mildred L. Lillie.....	Presiding Justice
Hon. Earl Johnson, Jr.....	Associate Justice
Hon. Fred Woods.....	Associate Justice
Joseph Lane.....	Clerk

300 So. Spring St., Los Angeles 90013

THIRD APPELLATE DISTRICT

Hon. Robert K. Puglia.....	Presiding Justice
Hon. Coleman A. Blease.....	Associate Justice
Hon. Keith F. Sparks.....	Associate Justice
Hon. Richard M. Sims III.....	Associate Justice
Hon. Rodney Davis.....	Associate Justice
Hon. Arthur G. Scotland.....	Associate Justice
Hon. George W. Nicholson.....	Associate Justice
Hon. Vance W. Raye.....	Associate Justice
Robert L. Liston.....	Clerk

914 Capitol Mall, Room 100, Sacramento 95814

FOURTH APPELLATE DISTRICT

DIVISION ONE

Hon. Daniel J. Kremer.....	Presiding Justice
Hon. Howard B. Wiener.....	Associate Justice
Hon. Don R. Work.....	Associate Justice
Hon. William L. Todd, Jr.....	Associate Justice
Hon. Patricia D. Benke.....	Associate Justice
Hon. Richard D. Huffman.....	Associate Justice
Hon. Charles W. Froehlich.....	Associate Justice
Hon. Gilbert Nares.....	Associate Justice
Stephen M. Kelly.....	Clerk

750 B St., Suite 300, San Diego 92101

DIVISION TWO

Hon. Manuel A. Ramirez.....	Presiding Justice
Hon. Howard M. Dabney.....	Associate Justice
Hon. Thomas E. Hollenhorst.....	Associate Justice
Hon. Robert J. Timlin.....	Associate Justice
Hon. Art W. McKinster.....	Associate Justice
Stephen M. Kelly.....	Clerk

303 W. Fifth St., San Bernardino 92401

DIVISION THREE

Hon. David G. Sills.....	Presiding Justice
Hon. Thomas F. Crosby	Associate Justice
Hon. Edward J. Wallin.....	Associate Justice
Hon. Sheila Prell Sonenshine.....	Associate Justice
Hon. Henry T. Moore, Jr.	Associate Justice
Stephen M. Kelly.....	Clerk

925 No. Spurgeon St., Santa Ana 92701

FIFTH APPELLATE DISTRICT

Hon. Hollis G. Best	Presiding Justice
Hon. Robert L. Martin.....	Associate Justice
Hon. William A. Stone.....	Associate Justice
Hon. James A. Ardaiz.....	Associate Justice
Hon. Nickolas J. Dibiaso.....	Associate Justice
Hon. Steven M. Vartabedian.....	Associate Justice
Hon. James F. Thaxter.....	Associate Justice
Hon. Thomas A. Harris.....	Associate Justice
Hon. Timothy S. Buckley.....	Associate Justice
Kevin A. Swanson.....	Clerk

2525 Capitol Street, Fresno 93721

SIXTH APPELLATE DISTRICT

Hon. Christopher C. Cottle	Presiding Justice
Hon. Patricia Bamattre-Manoukian.....	Associate Justice
Hon. Franklin D. Elia.....	Associate Justice
Hon. William M. Wunderlich.....	Associate Justice
Hon. Nathan D. Mihara.....	Associate Justice
Michael J. Yerly.....	Clerk

333 West Santa Clara Street, Suite 1060, San Jose 95113

PUBLIC UTILITIES COMMISSION

Daniel Wm. Fessler.....	President
Patricia M. Eckert.....	Commissioner
Norman Shumway.....	Commissioner
P. Gregory Conlon.....	Commissioner
Jessie J. Knight.....	Commissioner
Neal J. Shulman.....	Executive Director

WORKERS' COMPENSATION APPEALS BOARD

Diana Marshall.....	Chairperson
Arlene Heath.....	Member
Jane Wiegand.....	Member
Richard Gannon.....	Member
Perry Oliver Johnson.....	Member

TABLE OF LAWS ENACTED

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1993-94 Regular Session

Ch. No.	A.B. No.	S.B. No.	Author	Ch. No.	A.B. No.	S.B. No.	Author
1	—	629	Russell (Principal coauthor: Senator Boatwright) (Principal coauthor: Assembly Member Katz)	24	875	—	McDonald
2	—	499	Rosenthal (Principal coauthor: Assembly Member Katz)	25	1619	—	Lee
3	315	—	Hauser	26	1807	—	Bronshvag, Caldera, Eastin, Martinez, Sher, and Speier
4	2386	—	Vasconcellos (Principal coauthor: Assembly Member Snyder) (Coauthors: Assembly Members Alpert, Bowen, Connelly, Epple, Karnette, and Umberg)	27	2018	—	Katz (Coauthor: Senator Russell)
5	—	638	Maddy	28	—	198	Kopp (Coauthor: Senator Russell)
6	1667	—	Hoge	29	—	521	Presley (Coauthor: Senator Russell)
7	—	51	Ayala	30	—	1285	Watson
8	—	568	Rosenthal	31	2448	—	Willie Brown and Moore (Principal coauthors: Assembly Members Archie-Hudson, Cannella, Lee, and McDonald)
9	—	843	Committee on Elections and Reapportionment (Senators Marks (Chairman), Beverly, Craven, Lockyer, and Rosenthal)	32	—	752	Kopp and Calderon (Coauthor: Assembly Member Burton)
10	244	—	Boland	33	—	1234	Bergeson (Coauthors: Senators Alquist, Ayala, Beverly, Craven, Hayden, Hughes, Hurtt, Kelley, Killea, Leslie, Lewis, Peace, Petris, Presley, Rogers, Torres, Watson, and Wright) (Coauthors: Assembly Members Allen, Alpert, Andal, Areias, Bates, Boland, Conroy, Cortese, Frazee, Terry Friedman, Harvey, Johnson, Katz, Knight, Moore, Morrow, Napolitano, Nolan, Polanco, Pringle, Statham, Takasugi, Umberg, and Woodruff)
11	2335	—	Bustamante (Coauthor: Assembly Member Costa)	34	—	1257	Ayala (Coauthor: Assembly Member Cannella)
12	971	—	Jones and Costa (Principal coauthors: Senators Wyman and Presley) (Coauthors: Assembly Members Aguiar, Allen, Alpert, Andal, Boland, Bowler, Bronshvag, Valerie Brown, Brulte, Bustamante, Conroy, Epple, Escutia, Ferguson, Goldsmith, Harvey, Haynes, Hoge, Horcher, Johnson, Morrow, Mountjoy, Nolan, O'Connell, Polanco, Pringle, Quackenbush, Richter, Seastrand, Takasugi, Umberg, Weggeland, and Woodruff) (Coauthors: Senators Boatwright, Hurtt, and McCorquodale)	35	1026	—	Peace
13	—	262	Hart	36	1542	—	Umberg (Principal coauthor: Senator Bergeson) (Coauthor: Assembly Member Morrow) (Coauthor: Senator Presley)
14	982	—	Allen	37	1622	—	Bowen
15	—	131	Roberti	38	—	17	Peace, Connolly, Gotch, and O'Connell (Principal coauthors: Senators Ayala and Wyman) (Coauthors: Assembly Members Epple and Umberg)
16	—	805	Bergeson	39	—	1023	Thompson
17	2290	—	Katz and Boland (Principal coauthor: Senator Roberti) (Coauthors: Assembly Members Aguiar, Andal, Archie-Hudson, Bates, Bornstein, Bowen, Valerie Brown, Cortese, Eastin, Epple, Escutia, Ferguson, Barbara Friedman, Terry Friedman, Hannigan, Hauser, Isenberg, Lee, Moore, Mountjoy, Napolitano, O'Connell, Polanco, Quackenbush, Richter, Sher, Solis, Statham, Takasugi, Umberg, Vasconcellos, and Woodruff) (Coauthors: Senators Alquist, Ayala, Bergeson, Dills, Hayden, Hughes, Marks, McCorquodale, Petris, Presley, Rosenthal, Thompson, Torres, Watson, Wright, and Wyman)	40	797	—	Connolly
18	—	46	Hart	41	911	—	Horcher
19	—	190	Greene (Coauthor: Senator Dills) (Coauthors: Assembly Members Alpert, Baca, Bronshvag, Eastin, and McDonald)	42	1008	—	Murray
20	—	858	Committee on Public Employment and Retirement (Senators Hughes (Chairman), Johnston, McCorquodale, and Wright)	43	1329	—	Epple
21	554	—	Murray (Coauthors: Assembly Members Archie-Hudson, Bates, Willie Brown, Conroy, Lee, Martinez, McDonald, Moore, and Tucker) (Coauthors: Senators Dills, Hughes, Lockyer, Torres, and Watson)	44	1754	—	Frazee
22	791	—	Vasconcellos (Principal coauthor: Senator Alquist) (Coauthor: Assembly Member Sher) (Coauthor: Senator Roberti)	45	2054	—	Cortese
23	482	—	Peace (Principal coauthor: Senator Torres) (Coauthors: Assembly Members Alpert, Karnette, and Moore) (Coauthors: Senators Bergeson, Hayden, Hughes, and Killea)	46	2237	—	McDonald
				47	—	480	McCorquodale
				48	—	678	Greene
				49	—	720	Hart (Coauthor: Senator Roberti) (Coauthor: Assembly Member Eastin)
				50	—	1034	Thompson (Coauthors: Senators Hughes, Torres, and Watson) (Coauthor: Assembly Member Umberg)
				51	—	1301	Committee on Local Government (Senators Bergeson (Chair), Ayala, Calderon, Craven, Hughes, Johannessen, Kopp, McCorquodale, Presley, Russell, and Thompson)
				52	640	—	Seastrand
				53	783	—	Polanco
				54	789	—	Costa
				55	927	—	Honeycutt, Andal, Boland, Conroy, Ferguson, Haynes, Knowles, Ramey, Richter, and Seastrand (Coauthor: Senator Hurtt)
				56	968	—	Jones
				57	1082	—	Andal, Bowler, Honeycutt, and Richter
				58	1633	—	Karnette
				59	1127	—	Johnston (Coauthor: Assembly Member Andal)
				60	—	29	Maddy
				61	238	—	Eastin (Coauthor: Assembly Member Alpert)
				62	991	—	Tucker
				63	—	519	Presley
				64	—	899	Mello (Principal coauthor: Assembly Member McPherson) (Coauthor: Assembly Member Areias)
				65	—	1123	Calderon

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Ch. No.	A.B. No.	S.B. No.	Author	Ch. No.	A.B. No.	S.B. No.	Author
66	—	1229	Greene	120	1040	—	Archie-Hudson
67	1230	—	Conroy	121	2815	—	Boland, Aguiar, Alby, Andal, Goldsmith, Haynes, Honeycutt, Johnson, Knight, Quackenbush, Rainey, Richter, Snyder, Statham, Takasugi, and Weggeland (Principal Coauthor: Assembly Member Conroy) (Coauthors: Senators Presley and Wyman)
68	1923	—	Peace	122	670	—	Vasconcellos
69	2476	—	Costa	123	—	1379	Beverly
70	186	—	Seastrand (Coauthor: Assembly Member O'Connell)	124	2653	—	Connolly
71	321	—	Connolly	125	—	1830	Tom Campbell
72	382	—	Lee (Principal coauthor: Senator Petris) (Coauthors: Assembly Members Archie-Hudson, Cortese, Karnette, Moore, and Solis) (Coauthors: Senators Boatwright, Torres, and Watson)	126	2457	—	Connolly (Principal coauthors: Assembly Members Areias and Conroy)
73	460	—	Horcher	127	3016	—	McDonald
74	842	—	Frazee (Coauthor: Senator Killea)	128	—	1429	Johnston
75	1702	—	Frazee	129	—	1684	Lewis
76	1719	—	Peace	130	—	1757	Johnston (Principal coauthor: Assembly Member Conroy)
77	1931	—	Conroy	131	—	1866	Tom Campbell
78	2114	—	Solis	132	—	1930	Johannessen (Coauthor: Senator Alquist) (Coauthors: Assembly Members Hauser and Murray)
79	2219	—	Horcher	133	—	2018	Leslie
80	2346	—	Cortese	134	2466	—	Snyder
81	2486	—	Seastrand	135	—	1230	Committee on Budget and Fiscal Review (Principal coauthor: Assembly Member Andal)
82	2547	—	Bowen	136	—	2123	Committee on Budget and Fiscal Review
83	2710	—	Alpert	137	3177	—	McPherson (Coauthor: Senator Mello)
84	477	—	Craven and Roberti	138	3308	—	Takasugi
85	—	39	Kopp	139	—	2120	Committee on Budget and Fiscal Review
86	—	172	Russell	140	167	—	Barbara Friedman, Alpert, and Solis
87	—	900	Mello	141	3458	—	Harvey (Principal coauthor: Assembly Member Costa) (Principal coauthor: Senator Wyman) (Coauthors: Assembly Members Andal, Boland, Bowler, Ferguson, Goldsmith, Haynes, Hoge, Honeycutt, Morrow, Rainey, Richter, Snyder, Statham, Weggeland, and Woodruff) (Coauthor: Senator Ayala)
88	—	1326	Killea	142	973	—	Bornstein and O'Connell (Principal coauthors: Assembly Members Snyder and Costa)
89	—	1580	Alquist	143	2382	—	Committee on Ways and Means (Vasconcellos (Chairman), Hannigan, Horcher, Alpert, Burton, Robert Campbell, Costa, Epple, Barbara Friedman, Gotch, Johnson, Lee, Murray, Nolan, O'Connell, Polanco, and Seastrand)
90	511	—	Epple and Hoge (Principal coauthor: Senator Ayala)	144	2389	—	Committee on Ways and Means (Vasconcellos (Chairman), Hannigan, Horcher, Alpert, Burton, Robert Campbell, Costa, Epple, Barbara Friedman, Gotch, Johnson, Lee, Murray, Nolan, O'Connell, Polanco, and Seastrand)
91	2883	—	Caldera	145	113	—	Andal
92	2492	—	Costa	146	3601	—	Committee on Judiciary as presented by Assembly Member Weggeland on behalf of the Committee (Archie-Hudson, Caldera, Connolly, Epple, Terry Friedman, Goldsmith, Horcher, Isenberg, Morrow, Snyder, Speier, and Statham)
93	2490	—	Frazee	147	2377	—	Committee on Ways and Means (Vasconcellos (Chairman), Hannigan, Horcher, Alpert, Burton, Robert Campbell, Costa, Epple, Barbara Friedman, Gotch, Johnson, Lee, Murray, Nolan, O'Connell, Polanco, and Seastrand)
94	1495	—	Peace (Principal coauthor: Senator Bergeson)	148	836	—	Goldsmith and Pringle
95	444	—	Aguiar	149	2388	—	Committee on Ways and Means (Vasconcellos (Chairman), Hannigan, Horcher, Alpert, Burton, Robert Campbell, Costa, Epple, Barbara Friedman, Gotch, Johnson, Lee, Murray, Nolan, O'Connell, Polanco, and Seastrand)
96	—	110	Tom Campbell				
97	—	273	Roberti (Coauthor: Assembly Member Murray)				
98	—	592	Russell				
99	—	1836	Tom Campbell				
100	—	657	Committee on Budget and Fiscal Review				
101	—	1328	Lewis (Coauthor: Assembly Member Vasconcellos)				
102	—	1409	Alquist				
103	1908	—	Knight				
104	2640	—	Aguiar				
105	—	999	Dills				
106	—	1533	McCorquodale (Principal coauthor: Assembly Member Cannella)				
107	2855	—	Archie-Hudson, Bornstein, Bronshvag, Eastin, Barbara Friedman, Terry Friedman, Lee, Martinez, Moore, O'Connell, Snyder, Solis, and Speier (Coauthors: Senators Killea, McCorquodale, Torres, and Watson)				
108	56	—	Woodruff (Coauthor: Assembly Member Bowen)				
109	727	—	Moore				
110	1106	—	Lee				
111	2041	—	Honeycutt				
112	2333	—	Morrow, Andal, Connolly, Conroy, Harvey, Haynes, Hoge, Honeycutt, Mountjoy, Rainey, Richter, Seastrand, and Woodruff (Coauthor: Senator Peace)				
113	2413	—	Epple				
114	2892	—	Connolly (Coauthors: Senators Ayala, Dills, Johannessen, Thompson, and Wyman)				
115	3624	—	Committee on Public Employees, Retirement and Social Security (Cannella (Chairman), Baca, Connolly, Escutia, Rainey, and Tucker)				
116	—	133	Hill				
117	—	281	Avala				
118	—	819	Hart				
119	—	1386	McCorquodale (Principal coauthor: Assembly Member Bornstein)				

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150	2384	—	Committee on Ways and Means (Vasconcellos (Chairman), Hannigan, Horcher, Alpert, Burton, Robert Campbell, Costa, Epple, Barbara Friedman, Gotch, Johnson, Lee, Murray, Nolan, O'Connell, Polanco, and Seastrand)	195	816	—	Senator Wyman)
151	2383	—	Committee on Ways and Means (Vasconcellos (Chairman), Hannigan, Horcher, Alpert, Burton, Robert Campbell, Costa, Epple, Barbara Friedman, Gotch, Johnson, Lee, Murray, Nolan, O'Connell, Polanco, and Seastrand)	196	473	—	Isenberg
152	2395	—	Committee on Ways and Means (Vasconcellos (Chairman), Hannigan, Horcher, Alpert, Burton, Robert Campbell, Costa, Epple, Barbara Friedman, Gotch, Johnson, Lee, Murray, Nolan, O'Connell, Polanco, and Seastrand)	197	3128	—	Brulte and Snyder
153	2480	—	Vasconcellos	198	832	—	Speier
154	—	141	Alquist and Rosenthal	199	1577	—	Hauser
155	860	—	Pringle	200	1591	—	Pringle (Principal coauthors: Senators Presley and Watson) (Coauthor: Assembly Member Bates)
156	—	2127	Committee on Budget and Fiscal Review	201	2269	—	Knight
157	2505	—	Richter (Principal coauthors: Assembly Members Areias and Statham) (Principal coauthor: Senator Johannessen) (Coauthors: Assembly Members Robert Campbell, Cannella, Costa, and Martinez)	202	2473	—	Statham
158	567	—	Hauser	203	2484	—	Bowler
159	1013	—	Murray	—	—	—	Andal, Bowler, Conroy, Goldsmith, Harvey, Hoge, Morrow, Mountjoy, Nolan, Pringle, Richter, and Weggeland (Coauthors: Senators Ayala, Kopp, Presley, and Wyman)
160	2632	—	Connolly	204	2551	—	Hauser
161	2667	—	McDonald (Principal coauthor: Senator Robert) (Coauthor: Assembly Member Karnette)	205	2799	—	Bronshvag and Cortese
162	2819	—	Knight	206	2825	—	Vasconcellos
163	2820	—	Horcher	207	2827	—	Statham
164	3042	—	Boland	208	2936	—	Hoge
165	—	1540	Presley	209	3014	—	Seastrand
166	—	1554	Alquist	210	3074	—	Martinez
167	—	1349	Wyman	211	3111	—	Aguilar, Andal, Richter, Seastrand, and Woodruff (Coauthors: Assembly Members Alby, Bornstein, Ferguson, and Knowles)
168	—	1583	Hughes	212	3360	—	Frazee
169	—	1827	Lockyer	213	3691	—	Solis
170	—	1649	Johannessen (Coauthor: Assembly Member Richter)	214	3704	—	Bronshvag
171	—	1615	Beverly	215	3796	—	Rainey
172	—	1471	Bergeson	216	—	106	McCorquodale
173	—	1408	Alquist	217	—	322	Kopp
174	—	1794	Johannessen	218	—	849	Bergeson
175	—	634	Craven	219	—	1280	Craven (Coauthor: Assembly Member Valerie Brown)
176	—	1283	Committee on Appropriations (Senators Presley (Chairman), Alquist, Bergeson, Beverly, Dills, Greene, Johnston, Kelley, Killea, and Mello)	220	—	1352	Kelley
177	—	1340	Rosenthal	221	—	1378	Kopp (Coauthors: Senators Dills, Killea, and Watson) (Coauthors: Assembly Members Bornstein, Harvey, Karnette, and Woodruff)
178	443	—	Aguilar	222	—	1402	Greene
179	3591	—	Rainey	223	—	1412	Mello
180	373	—	Bustamante	224	—	1436	Peace
181	1146	—	Richter	225	—	1483	Peace
182	393	—	Seastrand	226	—	1565	Kopp
183	2303	—	Richter	227	—	1624	Maddy
184	2463	—	Connolly	228	—	1660	Killea
185	2646	—	Goldsmith	229	—	1662	Greene
186	2662	—	Snyder	230	—	1711	Bergeson
187	2666	—	Hannigan	231	—	1771	Alquist
188	2739	—	Cannella	232	—	1798	Tom Campbell
189	2751	—	Honeycutt	233	—	1817	Beverly
190	2928	—	Willie Brown	234	—	1865	Tom Campbell
191	3134	—	McDonald	235	—	1889	Dills
192	3473	—	Mountjoy	236	—	2011	Killea
193	3832	—	Committee on Public Employees, Retirement and Social Security (Cannella (Chairman), Baca, Connolly, Escutia, Napolitano, Rainey, and Tucker)	237	—	2105	Petris and Tom Campbell
194	2540	—	Costa (Principal coauthor: Assembly Member Bustamante) (Coauthor: Assembly Member Jones) (Coauthor: Assembly Member Jones)	238	2597	—	Statham (Principal coauthors: Senators Johannessen Thompson, and Wyman) (Coauthors: Assembly Members Aguiar, Alby, Baca, Connolly, Conroy, Cortese, Epple, Harvey, Knight, Richter, Snyder, Solis, Umberg, and Weggeland) (Coauthors: Senators Alquist, Ayala, Dills, Presley, Rogers, and Torres)
				239	—	355	Greene
				240	—	750	Roberti (Principal coauthor: Assembly Member Katz) (Coauthor: Senator Wright)
				241	—	1361	Wright
				242	—	2107	Roberti
				243	325	—	Sher
				244	2787	—	Snyder (Coauthors: Senators Tom Campbell, Dills, and McCorquodale)
				245	67	—	Hauser
				246	243	—	Alpert
				247	717	—	Ferguson
				248	1390	—	Epple
				249	1780	—	Hauser

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230	2014	—	Cortese				Hudson, Bates, Caldera, Eastin, Gotch, Isenberg, Klehs, and Solis (Coauthors: Senators Petris, Torres, and Watson)
231	2095	—	Costa	311	1418	—	Tucker
232	2273	—	Karnette	312	380	—	Vasconcellos
233	2416	—	Napolitano	313	3257	—	Bornstein
234	2442	—	Cortese (Principal coauthor: Senator Alquist) (Coauthors: Assembly Members Areias, Eastin, Quackenbush, and Sher) (Coauthors: Senators Tom Campbell, Lockyer, and Mello)	314	114	—	Burton (Principal coauthor: Senator Maddy)
235	2474	—	Richter	315	2215	—	Martinez
236	2616	—	Snyder	316	—	1381	Torres
237	2693	—	Alpert	317	—	1506	Maddy
238	2702	—	Frazee	318	—	1376	Thompson (Principal coauthor: Senator Presley) (Coauthor: Senator Kelley) (Coauthors: Assembly Members Frazee, Hauser, and Snyder)
239	2703	—	Costa (Principal coauthor: Assembly Member Bustamante)				
260	2720	—	Bornstein (Coauthor: Senator Leslie)	319	—	1467	Watson
261	2729	—	Goldsmith (Coauthors: Senators Leslie and Wyman)	320	356	—	Snyder
262	2741	—	Cannella	321	412	—	Conroy
263	2749	—	Honeycutt	322	492	—	Farr (Principal coauthor: Assembly Member Isenberg)
264	2753	—	Sher	323	1685	—	Haynes, Andal, Harvey, and Knowles
265	2847	—	Speier	324	2982	—	Katz
266	2919	—	Frazee	325	—	1269	Wyman (Principal coauthor: Assembly Member Karnette) (Coauthors: Senators Tom Campbell, Hughes, Kopp, Peace, and Presley) (Coauthors: Assembly Members Andal, Ferguson, Harvey, Murray, and Richter)
267	2933	—	Cortese				
268	3017	—	McDonald	326	2010	—	Bruite (Coauthor: Assembly Member Honeycutt)
269	3092	—	Goldsmith				
270	3326	—	O'Connell	327	—	140	Kopp
271	3358	—	Barbara Friedman	328	—	215	Rosenthal
272	3353	—	Sher	329	—	894	Thompson, Bergeson, and McCorquodale (coauthors: Assembly Members Eppie and Statham)
273	3403	—	Murray				
274	3444	—	Margolin	330	—	1191	Bergeson
275	3461	—	Knowles	331	—	1231	Torres
276	3377	—	Eppie	332	—	1324	Kopp, Ayala, Beverly, Boatwright, Craven, Greene, Lewis, McCorquodale, Peace, and Presley (Coauthor: Assembly Member Quackenbush)
277	3634	—	Knight				
278	3643	—	Polanco and Moore	333	—	1347	Russell (Principal coauthor: Assembly Member Hoge)
279	203	—	Collins				
280	386	—	Boland	334	—	1388	Russell
281	621	—	Napolitano (Principal coauthor: Senator Calderon)	335	—	1403	Lewis
282	1851	—	Cannolly	336	—	1473	Ayala
283	2549	—	Raine	337	—	1494	Mello
284	2668	—	McDonald	338	—	1495	Mello
285	2736	—	Bruite	339	—	1509	Leonard
286	2779	—	Pringle	340	—	1510	Lewis
287	2811	—	Katz	341	—	1513	Resenthal
288	2946	—	Speier, Alpert, Bornstein, Valerie Brown, Eastin, Martinez, and O'Connell (Coauthor: Senator Torres)	342	—	1536	Ayala
289	2894	—	Caldera	343	—	1641	Craven
290	2965	—	Escutia	344	—	1648	Dills
291	3064	—	Morrow and Cannella	345	—	1670	Dills
292	3195	—	Knight	346	—	1716	McCorquodale
293	3349	—	Gotch	347	—	1722	Kelley
294	3635	—	Knight	348	—	1772	Rogers
295	3490	—	Knowles (Principal coauthor: Senator Leslie)	349	—	1944	Killea
296	—	108	Kelley (Coauthor: Assembly Member Bornstein)	350	—	1954	Hart
297	—	196	Johnston	351	—	2047	Markis
298	—	250	Kelley (Coauthor: Assembly Member Bornstein)	352	—	42	Peace, Cannolly, O'Connell, Alpert, Gotch, Snyder, and Umbreg
299	—	350	Rogers (Principal coauthor: Assembly Member Honeycutt)				
300	—	517	Bergeson (Coauthor: Senator Russell) (Coauthor: Assembly Member Napolitano)	353	497	—	Johnson
301	—	1004	Johnston	354	1177	—	Eppie
302	—	1345	Russell	355	2456	—	Richter
303	—	1375	Rogers	356	2481	—	Eppie
304	—	1385	Thompson (Coauthor: Assembly Member Valerie Brown)	357	2499	—	Murray
305	—	1447	Rogers	358	2592	—	Eppie
306	—	1801	Bergeson	359	2602	—	Johnson
307	—	1907	Tom Campbell	360	2630	—	Hauser
308	2544	—	Isenberg	361	2636	—	Richter
309	2738	—	Cannella	362	2719	—	Frazee
310	13	—	Terry Friedman (Principal coauthor: Assembly Member Margolin) (Coauthors: Assembly Members Archie-	363	2743	—	Cortese
				364	2778	—	Murray
				365	2820	—	Knight
				366	2853	—	Cortese
				367	2890	—	Caldera
				368	2911	—	Goldsmith

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Ch. No.	A.B. No.	S.B. No.	Author	Ch. No.	A.B. No.	S.B. No.	Author
369	3011	—	Alpert	432	3365	—	McDonald
370	3043	—	Umberg	433	3529	—	Hauser
371	3154	—	Bustamante (Coauthor: Assembly Member Costa)	434	3587	—	Harvey
372	3155	—	Conroy	435	—	923	Calderon (Coauthor: Assembly Member Napolitano)
373	3277	—	Baca	436	—	1021	Thompson
374	3397	—	Aguiar	437	—	1322	Leslie and Johnston (Principal coauthor: Assembly Member Hauser) (Coauthor: Assembly Member Knowles)
375	3697	—	Terry Friedman	438	—	1453	Rogers
376	—	2005	Leslie (Coauthors: Senators Hill, Russell, and Wyman) (Coauthors: Assembly Members Andal, Bowler, Haynes, Hoge, Honeycutt, Knight, Rainey, and Snyder)	439	—	1478	Beverly
377	—	1869	Hill	440	—	1636	Wright
378	—	1394	Maddy	441	—	1706	Wright
379	—	1413	Craven	442	—	1828	Tom Campbell
380	—	1508	Craven	443	2680	—	Bowen and Pringle
381	—	1515	Hughes	444	3274	—	Pringle
382	—	1553	Alquist, Petris, and Rosenthal (Coauthors: Assembly Members Bornstein, Hauser, and Solis)	445	3482	—	Areias
383	—	1837	Tom Campbell	446	2261	—	Peace (Principal coauthors: Assembly Members Boland, Burton, Epple, Gotch, Lee, Rainey, and Umberg) (Principal coauthor: Senator Thompson)
384	—	1941	Rosenthal	447	1029	—	Epple (Coauthor: Senator Peace)
385	—	2065	Johnston	448	1948	—	Cornolly
386	—	1602	Lockyer	449	3565	—	Seastrand
387	163	—	Areias	450	1180	—	Epple
388	766	—	Hauser	451	2470	—	Rainey (Principal coauthor: Senator Kopp) (Coauthors: Assembly Members Aguiar, Brulte, Conroy, Ferguson, Goldsmith, Haynes, Knight, Quackenbush, Richter, Seastrand, and Statham) (Coauthors: Senators Hurtt and Presley)
389	1084	—	Isenberg	452	—	1539	McCorquodale and Torres (Coauthors: Assembly Members Bornstein, Ferguson, Snyder, and Speier)
390	1671	—	Beverly	453	560	—	Peace (Principal coauthor: Assembly Member Quackenbush) (Coauthors: Assembly Members Epple, Rainey, and Umberg) (Principal coauthors: Senators Leonard and Torres)
391	2611	—	Mountjoy	454	2428	—	Epple (Coauthors: Assembly Members Boland, Barbara Friedman, Gotch, Rainey, Umberg, and Vasconcellos) (Coauthors: Senators Peace, Presley, and Robert)
392	3329	—	Valerie Brown	455	3058	—	Hoge
393	3212	—	Alpert	456	—	—	Bowler
394	611	—	Cortese	457	—	—	Conroy
395	3454	—	Speier	458	1414	—	Gotch
396	1960	—	Katz	459	—	1302	Committee on Local Government (Senators Bergeson (Chair), Ayala, Calderon, Craven, Hughes, Johannessen, Kopp, McCorquodale, Presley, Russell, and Thompson)
397	2805	—	Burton	460	—	1303	Committee on Local Government (Senators Bergeson (Chair), Ayala, Calderon, Craven, Hughes, Johannessen, Kopp, McCorquodale, Presley, Russell, and Thompson)
398	2665	—	Polanco	461	—	1355	Russell
399	2028	—	Statham	462	—	1365	Johannessen (Coauthor: Assembly Member Bornstein)
400	2821	—	Knight	463	—	1493	Mello
401	3103	—	Ferguson	464	—	1560	Mello
402	—	1339	Rosenthal	465	—	1756	Johnston
403	—	1399	Lewis	466	—	1807	Lewis
404	—	1428	Mello	467	—	1858	Leslie
405	—	1470	Killea	468	559	—	Peace
406	—	1572	Wright	469	1579	—	Polanco
407	—	1595	Marks	470	1811	—	McDonald
408	—	1527	Hughes	471	2715	—	Frazee
409	—	1548	Russell (Coauthors: Senators Bergeson, Presley, and Wyman) (Coauthors: Assembly Members Conroy, Harvey, Haynes, Johnson, Morrow, and Rainey)	472	2725	—	Rainey
410	—	1586	Craven	473	2950	—	Frazee
411	—	1617	Wyman	474	2956	—	Valerie Brown (Coauthors: Assembly Members Richter and Statham)
412	—	1690	Boatwright	475	2960	—	Frazee
413	—	1694	Wright	476	2997	—	Conroy
414	—	1705	Russell				
415	—	1715	Hart				
416	—	1744	McCorquodale				
417	—	1735	Johnston				
418	—	1761	Peace				
419	—	2014	Thompson				
420	2336	—	Katz, Ferguson, Gotch, Karnette, Moore, O'Connell, and Solis (Coauthors: Senators Hayden, Hughes, Peace, Thompson, Torres, and Watson)				
421	—	1309	Craven				
422	2589	—	Bornstein (Coauthors: Assembly Members Archie-Hudson, Areias, Karnette, Moore, Richter, Solis, Vasconcellos, and Woodruff)				
423	389	—	Peace				
424	1610	—	Boland				
425	2581	—	Pringle				
426	2800	—	Harvey				
427	2958	—	Hannigan (Principal coauthors: Assembly Members Richter and Statham)				
428	3085	—	Hauser				
429	3215	—	Pringle and McPherson				
430	3242	—	Aguiar				
431	3262	—	Katz				

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477	3077	—	Escutia	537	—	1323	Leslie
478	3115	—	Pringle	538	—	1336	Leonard (Coauthors: Senators Ayala, Bergeson, Kelley, McCorquodale, and Russell) (Coauthors: Assembly Members Andal and Ferguson)
479	3219	—	Connolly	539	—	1416	Rogers
480	3232	—	Alpert	540	—	1488	Beverly
481	3505	—	Takasugi	541	—	1501	Marks
482	3319	—	Takasugi	542	—	1576	McCorquodale
483	3391	—	Barbara Friedman	543	—	1654	Kelley
484	3655	—	Barbara Friedman	544	—	1726	Kopp
485	3415	—	Woodruff	545	—	1732	McCorquodale
486	3416	—	Weggeland	546	—	1773	McCorquodale
487	3493	—	Cortese	547	—	1811	Hurt
488	3653	—	Epple	548	—	1815	Wright
489	3705	—	Committee on Public Employees, Retirement and Social Security (Cannella (Chairman), Andal, Baca, Bowler, Escutia, and Tucker)	549	—	1826	Bergeson
490	3736	—	Caldera	550	—	1844	Mello
491	3778	—	Umberg	551	—	1852	Thompson
492	3802	—	Woodruff	552	—	1914	Killea, Dills, and Hughes
493	651	—	Connolly	553	—	1922	Lewis
494	768	—	Rainey, Andal, Conroy, Harvey, Honeycutt, and Richter	554	—	2115	Committee on Natural Resources and Wildlife (Senators Thompson (Chairman), Hart, Johnston, Leslie, Marks, Mello, Rogers, and Torres)
495	806	—	Gotch	555	—	1260	Presley (Principal Coauthor: Senator Kopp) (Principal coauthor: Assembly Member Richter) (Coauthors: Senators Ayala and Thompson) (Coauthors: Assembly Members Aguiar, Andal, Bornstein, Bronshvag, Cannella, Conroy, Costa, Epple, Ferguson, Goldsmith, Harvey, Haynes, Johnson, Rainey, Snyder, and Umberg)
496	1031	—	Aguiar	556	—	1330	Calderon (Principal coauthors: Assembly Members Alby and Costa) (Coauthors: Senators Boatwright, Kopp, McCorquodale, Presley, Thompson, and Torres) (Coauthors: Assembly Members Aguiar, Andal, Bornstein, Valerie Brown, Conroy, Cortese, Eastin, Epple, Ferguson, Goldsmith, Gotch, Harvey, Haynes, Horcher, Johnson, Katz, Martinez, Morrow, O'Connell, Polanco, Quackenbush, Rainey, Richter, Snyder, and Speier)
497	1269	—	Johnson (Coauthor: Assembly Member Knight)	557	2782	—	Boland (Principal coauthor: Senator Presley) (Coauthor: Assembly Member Horcher)
498	1281	—	Archie-Hudson	558	—	1411	Mello (Coauthors: Assembly Members Costa and McPherson)
499	1568	—	Solis (Coauthors: Assembly Members Andal, O'Connell, and Rainey) (Coauthor: Senator Watson)	559	—	2802	Terry Friedman (Principal coauthor: Senator Rosenthal) (Coauthors: Assembly Members Alpert, Gotch, Karmette, Margolin, O'Connell, and Solis) (Coauthors: Senators Alquist, McCorquodale, Torres, and Watson)
500	1718	—	Peace	560	—	826	Leonard and Torres
501	1914	—	Polanco	561	2520	—	Napolitano (Coauthors: Assembly Members Ferguson, Polanco, and Umberg) (Coauthors: Senators Dills and Watson)
502	2140	—	Honeycutt, Haynes, Andal, Conroy, Knowles, Morrow, and Richter	562	3137	—	Escutia
503	2217	—	Martinez	563	2979	—	Napolitano
504	2519	—	Karmette	564	1025	—	Peace
505	2545	—	Honeycutt	565	—	1878	Torres
506	2608	—	Napolitano	566	1874	—	Polanco (Principal coauthor: Assembly Member Epple)
507	2647	—	Aguiar	567	—	1314	Johannessen, Tom Campbell, Hurt, Kopp, Leonard, Leslie, Peace, Russell, and Wyman (Coauthors: Assembly Members Aguiar, Conroy, Ferguson, Harvey, Haynes, Hoge, Horcher, Knowles, McPherson, Rainey, Richter, Snyder, Statham, Weggeland, and Woodruff)
508	2656	—	Areias	568	308	—	Andal, Aguiar, Connolly, Ferguson, Hoge, Richter, Rogan, Snyder, and Woodruff (Coauthors: Senators Kopp and Russell)
509	2676	—	Alpert				
510	2708	—	Richter				
511	2748	—	Honeycutt				
512	2757	—	Woodruff				
513	2798	—	Bronshvag				
514	2908	—	Frazee				
515	2818	—	Johnson				
516	2860	—	Frazee				
517	2917	—	Speier				
518	2941	—	Pringle				
519	3112	—	Aguiar				
520	3222	—	Jones				
521	3223	—	Jones				
522	3259	—	Bornstein				
523	3261	—	O'Connell				
524	3504	—	Bates				
525	3427	—	Committee on Natural Resources (Sher (Chairman), Allen, Terry Friedman, Gotch, Haynes, Knowles, Richter, and Tucker)				
526	3432	—	O'Connell				
527	3514	—	Costa and Klehs (Coauthor: Assembly Member Harvey)				
528	3523	—	Valerie Brown				
529	3592	—	Umberg				
530	3709	—	Mountjoy				
531	—	64	McCorquodale				
532	—	799	Presley (Principal coauthor: Assembly Member Vasconcellos)				
533	—	1032	Thompson				
534	—	1134	Russell				
535	—	1288	Calderon, Ayala, Kopp, Torres, and Watson (Principal coauthor: Assembly Member Martinez) (Coauthors: Assembly Members Bronshvag, Escutia, McDonald, Napolitano, and Solis)				
536	—	1291	Kelley				

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Ch. No.	A.B. No.	S.B. No.	Author	Ch. No.	A.B. No.	S.B. No.	Author
569	1066	—	Conroy (Coauthors: Assembly Members Bronshvag, Connolly, Ferguson, Harvey, Murray, Rainey, and Richter) (Coauthors: Senators Ayala, Dills, Johannessen, McCorquodale, Presley, Rogers, Watson, and Wymann)	621	—	762	Wright
570	1392	—	Speier	622	—	1360	Leslie (Coauthors: Assembly Members Katz, Klehs, and Vasconcellos)
571	2112	—	Solis (Principal coauthor: Assembly Member Robert Campbell) (Principal Senate coauthor: Senator Roberti) (Coauthors: Assembly Members Burton, Eastin, and Murray) (Coauthors: Senators McCorquodale and Petris)	623	—	1709	Peace
572	2339	—	O'Connell, Aretias, Cortese, Hauser, and Rainey (Coauthor: Senator Thompson)	624	—	1774	Maddy (Coauthor: Assembly Member Aretias)
573	2372	—	Costa	625	—	1894	Leslie
574	2559	—	Vasconcellos	626	3096	—	Katz
575	2595	—	Connolly (Coauthor: Assembly Member Gotch)	627	463	—	Tucker
576	2722	—	Cannella	628	987	—	Tucker
577	2935	—	Hoge	629	2742	—	Lee (Coauthors: Senators Dills, Hughes, and Torres)
578	2943	—	Hauser	630	2897	—	Caldera, Andal, Bronshvag, Ducheny, Katz, and Terry Friedman (Coauthor: Senator Watson)
579	2989	—	Conroy	631	2178	—	Peace
580	3198	—	Hauser	632	—	2092	Watson
581	3202	—	Valerie Brown	633	757	—	Polanco (Coauthor: Senator Bergeson)
582	3244	—	Epple and Weggeland	634	876	—	Collins and Quackenbush (Coauthors: Assembly Members Andal, Boland, Bowler, Conroy, Ferguson, Goldsmith, Harvey, Haynes, Johnson, McPherson, Rainey, Richter, Seastrand, Statham, and Weggeland) (Coauthor: Senator Wymann)
583	3270	—	Terry Friedman	635	1147	—	Lee
584	3312	—	Takasugi	636	1799	—	Speier
585	3336	—	Speier	637	1882	—	Bates
586	3414	—	O'Connell	638	2221	—	Martinez
587	3600	—	Committee on Judiciary as presented by Assembly Member Snyder on behalf of the committee (Caldera, Connolly, Epple, Terry Friedman, Goldsmith, Horcher, Isenberg, Morrow, Speier, Statham, and Weggeland)	639	2709	—	Cortese
588	3781	—	Bruite	640	2731	—	Murray
589	3799	—	Lee	641	2735	—	Pringle and Hoge (Coauthor: Assembly Member Speier)
590	—	280	Roberti (Coauthor: Senator Watson)	642	2755	—	Lee
591	—	1116	Presley	643	2826	—	Allen
592	—	1644	Kelley	644	2831	—	Mountjoy
593	—	1669	Rogers	645	2839	—	Solis
594	—	1681	Mello	646	2879	—	Valerie Brown
595	—	1686	Lewis	647	2874	—	Richter
596	—	1700	Hart	648	2955	—	Hannigan
597	—	1863	Leslie	649	3059	—	Johnson
598	—	2016	Leslie	650	3141	—	Alpert
599	801	—	Barbara Friedman, Alpert, and Solis	651	3163	—	Frazee
600	—	692	Roberti (Coauthors: Senators Dills, Hughes, Marks, Petris, Rosenthal, Torres, and Watson) (Coauthors: Assembly Members Farr, Terry Friedman, O'Connell, Polanco, and Sher)	652	3221	—	Jones
601	1285	—	Cannella, Costa, Jones, and Seastrand	653	3260	—	Bornstein (Coauthor: Assembly Member Speier)
602	2489	—	Lee (Principal coauthor: Assembly Member Klehs) (Coauthor: Assembly Member Bates) (Coauthor: Senator Petris)	654	3350	—	Gotch
603	2554	—	Solis	655	3353	—	Gotch
604	2784	—	Epple	656	3407	—	Committee on Public Employees, Retirement and Social Security (Cannella (Chairman), Baca, Connolly, Escutia, Rainey, and Tucker)
605	3048	—	Costa	657	3497	—	Barbara Friedman
606	3121	—	Archie-Hudson	658	3568	—	Margolin
607	3324	—	Connolly	659	3630	—	Karnette
608	3610	—	Moore	660	3670	—	Horcher
609	—	1017	McCorquodale	661	3793	—	Eastin
610	—	1570	Hart, Hughes, and McCorquodale	662	3823	—	Committee on Insurance (McDonald (Chairwoman), Archie-Hudson, Bornstein, Conroy, Horcher, Johnson, Margolin, Moore, Mountjoy, O'Connell, Sher, and Statham)
611	—	1612	Kopp (Principal coauthor: Assembly Member Caldera)	663	—	17	Russell and McCorquodale (Coauthors: Assembly Members Aretias, Conroy, Ferguson, Haynes, Horcher, Moore, and Nolan)
612	—	1630	Hart and Hughes (Coauthor: Assembly Member Alpert)	664	—	245	Bergeson
613	—	1720	Hart	665	—	351	Committee on Budget and Fiscal Review
614	—	1832	Bergeson	666	—	493	Kelley
615	—	1893	Leslie	667	—	553	Hart
616	2906	—	Cortese	668	—	1405	Beverly
617	3150	—	Tucker	669	—	1414	Craven
618	3263	—	Robert Campbell	670	—	1500	Hughes
619	3540	—	Andal	671	—	1544	Maddy
620	3732	—	Alpert and Bates (Coauthor: Senator Killea)	672	—	1609	Hill
				673	—	1637	Hughes
				674	—	1663	Craven

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Ch. No.	A.B. No.	S.B. No.	Author	Ch. No.	A.B. No.	S.B. No.	Author
675	—	1741	Committee on Transportation (Senators Kopp (Chairman), Ayala, Bergeson, Boatwright, Hayden, Johnston, Kelley, McCorquodale, Peace, Russell, and Torres)	723	2763	—	Cortese
676	—	1874	Ayala (Coauthor: Senator Boatwright)	724	2797	—	Harvey
677	—	1998	Kopp (Coauthors: Assembly Members Martinez and Solis)	725	2852	—	Escutia (Coauthors: Assembly Members Archie-Hudson, Katz, and Polanco) (Coauthors: Senators McCorquodale and Watson)
678	—	2017	Leslie	726	3069	—	Frazee
679	—	2075	Maddy	727	3119	—	Quackenbush
680	—	2088	Mello	728	3139	—	Pringle (Principal coauthor: Senator Bergeson)
681	—	1843	Hart	729	3203	—	Valerie Brown
682	777	—	Katz, Willie Brown and Polanco (Coauthors: Assembly Members Moore, O'Connell, and Speier) (Coauthors: Senators Dills, Roberti and Torres)	730	3220	—	Connolly
683	3102	—	Martinez (Coauthors: Assembly Members Karnette, Solis, and Vasconcellos) (Coauthor: Senator Torres)	731	3521	—	McDonald
684	171	—	Conroy	732	3682	—	Margolin (Coauthor: Senator Johnston)
685	804	—	Gotch	733	3744	—	Bronshvag
686	1763	—	Bates	734	—	1000	Dills
687	1873	—	Moore	735	—	1038	Wright (Principal coauthor: Assembly Member Boland)
688	2845	—	Connolly	736	—	1268	Wyman
689	3033	—	Solis, Bornstein, Bronshvag, Valerie Brown, Terry Friedman, Martinez, and Moore (Coauthor: Senator Watson)	737	—	1450	Hughes
690	3168	—	Quackenbush (Principal Coauthor: Assembly Member Bates) (Coauthor: Assembly Member Solis)	738	—	1524	Wright
691	3307	—	Takasugi	739	—	1574	Calderon
692	3563	—	Aguilar	740	—	1953	Alquist
693	3764	—	Robert Campbell	741	—	2058	Watson
694	—	18	Russell	742	—	2066	Rogers
695	—	982	Greene	743	—	2112	Bergeson
696	—	1169	Maddy	744	—	1668	Mello (Coauthor: Senator Wyman) (Principal coauthor: Assembly Member McPherson) (Coauthor: Assembly Member Costa)
697	—	1237	Alquist	745	—	1597	Marks
698	—	1372	Dills (Coauthors: Assembly Members Hoge and Tucker)	746	—	49	Sher
699	—	1390	Calderon (Coauthor: Senator Lewis) (Coauthor: Assembly Member Pringle)	747	—	3214	Pringle
700	—	1457	Kopp	748	—	3144	Hamigan
701	—	1496	Mello	749	—	101	Bergeson
702	3321	—	Takasugi	750	—	344	Greene (Principal coauthor: Assembly Member Bowler) (Coauthor: Senator Johnston) (Coauthor: Assembly Member Alby)
703	—	1563	Peace	751	—	676	Alquist
704	—	1699	Committee on Transportation (Senators Kopp (Chairman), Ayala, Boatwright, McCorquodale, Russell, and Torres)	752	—	1304	Ayala
705	—	1804	Committee on Revenue and Taxation (Senators Greene (Chairman), Boatwright, Tom Campbell, Hayden, Kopp, and Maddy)	753	—	1387	Thompson (Principal coauthors: Senators Bergeson and Peace)
706	—	1918	Tom Campbell	754	—	1438	Mello
707	269	—	Statham (Principal coauthor: Senator Leslie)	755	—	1770	Alquist
708	—	1239	Russell	756	1313	—	Willie Brown, Senator Maddy, and Assembly Member Brute (Principal coauthor: Assembly Member McDonald) (Principal coauthor: Senator Bergeson) (Coauthors: Assembly Members Aguilar, Baca, Bornstein, Bustamante, Conroy, Escutia, Harvey, Horcher, Johnson, Knowles, and Umberg) (Coauthors: Senators Dills, Watson, and Wyman)
709	3123	—	Klehs	757	3662	—	Caldera
710	—	612	Hayden and Torres	758	3081	—	Lee (Principal coauthor: Senator Greene) (Coauthors: Assembly Members Archie-Hudson, Aretas, Eastin, Knowles, Polanco, and Solis) (Coauthors: Senators Boatwright, Calderon, Hughes, and Watson)
711	3659	—	Horcher	759	2493	—	Speier (Principal coauthor: Assembly Member Richter) (Coauthors: Assembly Members Alpert, Bornstein, Bowen, Bronshvag, Valerie Brown, Cannella, Cortese, Eastin, Eppie, Escutia, Karnette, Klehs, Lee, Martinez, Moore, O'Connell, and Solis) (Coauthors: Senators Bergeson, Hughes, McCorquodale, Petris, Torres, and Watson)
712	1853	—	Polanco and Costa (Principal coauthor: Assembly Member Johnson)	760	2200	—	Speier
713	2716	—	Katz and Umberg (Principal coauthor: Senator Roberti) (Coauthors: Assembly Members Burton, Cannella, Connolly, Costa, Eppie, Gotch, Peace, Snyder, and Statham) (Coauthors: Senators Boatwright and Presley)	761	—	1146	Johnston
714	2449	—	Alpert	762	2801	—	Willie Brown
715	3410	—	Barbara Friedman	763	—	1667	Mello
716	—	1305	Peace	764	—	1189	Maddy
717	3499	—	O'Connell	765	—	1374	Torres
718	1921	—	Speier	766	—	1462	Maddy (Principal coauthor: Assembly Member Polanco)
719	2030	—	Costa				
720	2090	—	Aguilar				
721	2509	—	Pringle and Ferguson (Coauthor: Senator Kopp)				
722	2516	—	Katz (Coauthors: Assembly Members Bronshvag, Solis, and Umberg) (Coauthor: Senator Watson)				

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767	—	1632	Kelley (Principal coauthor: Assembly Member Bornstein)	813	—	718	Wright (Coauthor: Assembly Member Takasugi)
768	—	1656	Kelley	814	—	846	Presley
769	—	1898	Peace	815	—	1279	Torres
770	152	—	Rainey and Connolly (Principal coauthors: Assembly Members Lee and Mountjoy)	816	—	1310	Dills
771	161	—	Peace	817	—	1377	Petris
772	679	—	Moore	818	—	1384	Kopp, Torres and Watson (Coauthors: Assembly Members Alpert, Jones, and Rainey)
773	854	—	Tucker	819	—	1417	Johnston
774	1018	—	Robert Campbell	820	—	1465	Petris
775	1688	—	Hauser	821	—	1468	Kelley
776	1913	—	Polanco	822	—	1507	Presley
777	2410	—	Speier	823	—	1525	Watson (Coauthor: Senator Torres) (Coauthor: Assembly Member Solis)
778	2427	—	Baca (Principal coauthor: Assembly Member McDonald) (Coauthors: Assembly Members Conroy, Epple, Solis, Statham, and Umberg)	824	—	1665	Hart
779	2711	—	Valerie Brown, Connolly, Costa, Eastin, Terry Friedman, Karnette, Katz, Klehs, Napolitano, Snyder, Solis, and Vasconcellos (Principal coauthor: Assembly Member Bronshvag) (Principal coauthor: Senator Marks) (Coauthors: Senators McCorquodale and Torres)	825	—	1885	Presley
780	3152	—	Bates (Principal coauthor: Senator Bergeson) (Principal coauthor: Assembly Member Gotch) (Coauthor: Senator Kopp)	826	—	1902	Peace
781	3290	—	Cannella	827	—	1920	Lewis
782	3087	—	Baca	828	—	1951	Killea
783	3001	—	Conroy	829	—	1980	Kopp (Coauthors: Senators Boatwright, McCorquodale, and Thompson) (Coauthor: Assembly Member Archie-Hudson)
784	3413	—	Conroy	830	—	1983	Rosenthal, Hughes, Presley, and Watson (Principal coauthor: Senator Dills) (Coauthors: Assembly Members Alpert, Archie-Hudson, Baca, Bronshvag, Epple, Gotch, Hauser, Martinez, Moore, Murray, and Snyder)
785	2998	—	Polanco	831	—	2019	Bergeson (Principal coauthor: Senator Craven)
786	2518	—	Areias	832	—	2034	Avala (Principal coauthor: Senator Kopp)
787	—	1993	Hart	833	—	2072	Calderon (Coauthors: Senators Kelley and Presley) (Coauthors: Assembly Members Bornstein and Ferguson)
788	2849	—	Escutia (Coauthors: Assembly Members Alpert, Archie-Hudson, Valerie Brown, Robert Campbell, Karmette, Lee, Martinez, and Solis) (Coauthors: Senators Torres and Watson)	834	—	2097	Hayden
789	779	—	Burton and Costa (Principal coauthors: Senators Peace and Presley)	835	234	—	Harvey (Coauthors: Assembly Members Alby, Andral, Boland, Goldsmith, Knight, and Weggeland)
790	825	—	Bates	836	1629	—	Karnette
791	1139	—	Epple	837	2634	—	Knight
792	1922	—	Peace	838	3161	—	Frazee
793	2433	—	Epple (Coauthors: Assembly Members Boland, Gotch, Rainey, and Umberg)	839	3316	—	Takasugi
794	2467	—	Bowen	840	—	—	Eastin
795	2487	—	Bowen	841	3362	—	Eastin
796	2508	—	Katz, Willie Brown, Epple, Gotch, Moore, and Snyder	842	3731	—	Margolin
797	2522	—	Horcher	843	3774	—	Valerie Brown
798	2674	—	Cortese (Coauthors: Assembly Members Andral, Areias, Bronshvag, Bustamante, Robert Campbell, Cannella, Costa, Eastin, Frazee, Harvey, Hauser, Isenberg, Katz, Klehs, Knowles, Moore, O'Connell, Richter, Speier, and Vasconcellos) (Coauthors: Senators Alquist, Boatwright, Kelley, Presley, and Thompson)	843	3819	—	Willie Brown
799	3164	—	Epple	844	—	2070	Calderon
800	3191	—	Murray (Coauthor: Assembly Member Boland)	845	—	1316	Greene
801	3301	—	Bustamante	846	—	1426	Mello
802	3314	—	Takasugi	847	—	1443	Beverly
803	3348	—	Gotch	848	—	1678	Hart
804	3436	—	Martinez	849	—	2113	Committee on Natural Resources and Wildlife (Senators Thompson (Chairman), Hart, Johnston, Marks, McCorquodale, Mello, and Torres)
805	3512	—	Polanco, Archie-Hudson, and Bustamante	850	3821	—	Connolly, Alby, Archie-Hudson, Baca, Bates, Bowen, Bronshvag, Valerie Brown, Epple, Ferguson, Gotch, Hannigan, Horcher, Isenberg, Karmette, Lee, McDonald, Moore, O'Connell, Umberg, and Weggeland (Principal coauthor: Assembly Member Conroy) (Principal coauthor: Senator Dills)
806	3686	—	Horcher	851	72	—	Klehs
807	3695	—	Honeyvutt	852	413	—	Hannigan
808	3745	—	Woodruff	853	2206	—	Bornstein (Coauthor: Senator Kelley)
809	3762	—	Robert Campbell	854	2586	—	Baca and Moore
810	3797	—	Umberg, Murray, and Speier (Coauthor: Senator Watson)	855	2685	—	Costa
811	—	10	Lockyer	856	3359	—	Murray
812	—	697	Torres (Coauthors: Assembly Members Isenberg and Polanco)	857	3836	—	Burton and Andral (Principal coauthor: Senator Presley)
				858	—	586	Hughes
				859	—	778	Dills
				860	—	1286	Bergeson (Coauthors: Assembly Members Valerie Brown, Gotch, and Murray)
				861	—	1880	Tom Campbell

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862	—	354	Avala (Principal coauthor: Senator McCorquodale)	898	—	690	Kopp
863	3456	—	Harvey (Principal coauthor: Assembly Member Costa) (Principal coauthor: Senator Wyman) (Coauthors: Assembly Members Andal, Boland, Bowler, Ferguson, Goldsmith, Haynes, Hoge, Honeycutt, Morrow, Rainey, Richter, Snyder, Statham, Weggeland, and Woodruff) (Coauthor: Senator Ayala)	899	—	1099	Calderon (Coauthor: Assembly Member Burton)
864	1211	—	Rainey, Andal, Conroy, Ferguson, Haynes, Martinez, Quackenbush, and Richter (Coauthors: Assembly Members Burton, Lee, and Umberg) (Coauthor: Senator Presley)	900	—	1407	Russell
865	3513	—	Umberg, Bornstein, Costa, and Woodruff (Coauthors: Senators Presley and Torres)	901	—	1425	Mello (Principal coauthor: Assembly Member McPherson) (Coauthor: Senator Alquist) (Coauthors: Assembly Members Areias and Vasconcellos)
866	304	—	Conroy	902	—	1446	Kelley
867	2500	—	Alby (Principal coauthors: Assembly Members Andal, Bronshvag, and Epple) (Principal coauthors: Senators Bergeson and Wyman) (Coauthors: Assembly Members Aguiar, Allen, Boland, Bowler, Brulte, Connolly, Conroy, Costa, Ferguson, Goldsmith, Harvey, Haynes, Hoge, Honeycutt, Horcher, Knowles, Martinez, Morrow, Mountjoy, Napolitano, Polanco, Pringle, Rainey, Richter, Rogan, Seastrand, Snyder, and Weggeland) (Coauthors: Senators Hurr, Johannessen, Lewis, Russell, Torres, and Watson)	903	—	1733	Greene
868	—	254	Kopp (Coauthors: Assembly Members Burton, Connolly, Terry Friedman, and Snyder) (Coauthors: Senators Tom Campbell and Petris)	904	—	1736	Greene
869	—	1999	Kopp (Coauthors: Senators Calderon, Tom Campbell, Marks, and Petris) (Coauthor: Assembly Member Burton)	905	—	1763	Wright
870	501	—	Willie Brown	906	—	923	Speier
871	—	1278	Hart	907	—	1351	Marks
872	3034	—	Solis, Alpert, Archie-Hudson, Bornstein, Bowen, Bronshvag, Valerie Brown, Epple, Escutia, Barbara Friedman, Terry Friedman, Karmette, Martinez, Moore, Snyder, and Speier (Coauthors: Senators Marks, Torres, Watson, and Wyman)	908	—	2036	McCorquodale (Coauthor: Assembly Member Snyder)
873	—	739	Bergeson	909	—	1779	Bergeson (Principal coauthor: Assembly Member Johnson) (Coauthors: Senators Beverly, Hurr, Lewis, Presley, and Torres) (Coauthors: Assembly Members Connolly, Hauser, Hoge, Morrow, O'Connell, Pringle, Richter, and Snyder)
874	2701	—	Costa	910	—	302	McCorquodale (Principal coauthor: Assembly Member Snyder) (Coauthor: Assembly Member Costa)
875	3026	—	Bowen	911	—	583	Lewis (Principal coauthor: Assembly Member Pringle) (Coauthor: Senator Kopp) (Coauthors: Assembly Members Boland, Conroy, Farr, Ferguson, Harvey, Hoge, Johnson, and Richter)
876	3273	—	Umberg, Alpert, Bronshvag, Murray, O'Connell, Snyder, and Solis) (Coauthors: Senators Hill, Torres, and Watson)	912	—	840	Presley (Principal coauthor: Assembly Member Klehs)
877	3405	—	Umberg (Coauthor: Senator Calderon)	913	—	881	Killea
878	3707	—	Boland (Principal coauthor: Senator Peace)	914	—	927	Wright
879	—	65	McCorquodale	915	—	1267	Wyman
880	1551	—	Epple	916	—	1327	Johnston
881	1209	—	Tucker	917	—	1371	Bergeson (Principal coauthor: Assembly Member Lee)
882	1327	—	Epple	918	—	1619	Wright
883	2003	—	Bornstein (Coauthor: Senator Leslie)	919	—	2098	Hayden
884	2607	—	Hauser	920	—	1547	Committee on Elections and Reapportionment (Senators Marks (Chair), Beverly, Boatwright, Craven, Rosenthal, and Torres)
885	2770	—	Cortese	921	1250	—	Robert Campbell, Alpert, Valerie Brown, and O'Connell
886	2788	—	Willie Brown (Coauthors: Assembly Members Johnson, Mountjoy, Horcher, and Polanco)	922	2387	—	Eastin
887	2957	—	Klehs	923	—	1546	Committee on Elections and Reapportionment (Senators Marks (Chair), Beverly, Boatwright, Craven, Rosenthal, and Torres)
888	3269	—	Barbara Friedman	924	2358	—	Sher
889	3306	—	Takasugi	925	2523	—	Bowen (Principal coauthor: Assembly Member Vasconcellos)
890	3542	—	Richter	926	2533	—	Robert Campbell
891	3567	—	Bornstein	927	2600	—	Bustamante (Principal coauthor: Senator Johnston) (Coauthors: Assembly Members Aguiar, Baca, Bronshvag, Valerie Brown, Conroy, Costa, Eastin, Escutia, Gotch, Hauser, Lee, Margolin, Martinez, McDonald, Murray, Napolitano, Polanco, Snyder, and Solis) (Coauthors: Senators Dills, Peace, Torres, Watson, and Wyman)
892	2601	—	Johnson	928	2638	—	Terry Friedman
893	3586	—	O'Connell	929	2900	—	Alby
894	3642	—	Rainey, Bowler, and Isenberg	930	3673	—	Hauser
895	3732	—	Takasugi	931	3730	—	Umberg
896	3735	—	Bornstein	932	2350	—	Karmette
897	3754	—	Caldera (Principal coauthor: Senator Bergeson) (Coauthor: Senator Hughes)	933	3171	—	Napolitano
				934	3720	—	Costa and Rainey (Principal coauthor: Assembly Member Conroy) (Coauthor: Senator Alquist)
				935	—	492	Kelley
				936	—	732	Bergeson (Principal coauthor: Assembly Member Isenberg)
				937	—	740	Watson (Coauthor: Assembly Member Murray)

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938	—	1295	Lockyer	993	—	2025	Bergeson
939	—	1393	Committee on Local Government (Senators Bergeson (Chairman), Ayala, Calderon, Craven, Hughes, Johannessen, Presley, and Thompson)	994	—	1978	Johnston
940	—	1626	Marks	995	—	1861	Committee on Judiciary (Senators Roberti (Chairman), Leslie, Lockyer, Petris, Presley, and Torres)
941	—	1846	Mello	996	—	1800	Tom Campbell
942	—	1915	Marks	997	1647	—	Costa, Alpert, Connolly, and Gotch
943	—	1939	Rosenthal	998	2445	—	Conroy (Coauthors: Assembly Members Bronshvag, Caldera, Connolly, Eastin, Richter, and Sher) (Coauthor: Senator Torres)
944	2398	—	Gotch	999	2664	—	Burton
945	2576	—	Baca	1000	3259	—	Conroy, Alby, Ferguson, Haynes, Rainey, and Richter (Principal coauthor: Senator Kelley) (Coauthor: Senator Wyman)
946	3429	—	Bustamante	1001	3271	—	Alpert
947	—	491	Rosenthal	1002	3627	—	Robert Campbell
948	—	707	Committee on Revenue and Taxation (Senators Greene (Chairman), Boatwright, Dills, Kopp, Lockyer, and Maddy)	1003	3718	—	Ducheny
949	2407	—	Klehs	1004	3717	—	Costa
950	1334	—	Gotch (Coauthor: Senator Killea)	1005	3747	—	Quackenbush (Coauthors: Assembly Members Bornstein, Morrow, Richter, and Seastrand)
951	1674	—	Margolin	1006	—	1484	Peace
952	1965	—	Goldsmith	1007	—	1531	Presley (Principal coauthor: Assembly Member Goldsmith)
953	2142	—	Bates	1008	—	1835	Torres
954	2635	—	Hauser	1009	—	1927	Hayden (Coauthors: Senators Bergeson, Tom Campbell, Thompson, Torres, and Watson) (Coauthors: Assembly Members Bronshvag and Valerie Brown)
955	2717	—	Morrow	1010	—	2053	Killea
956	2836	—	Snyder	1011	—	1373	Torres and Calderon (Principal coauthor: Senator Roberti) (Principal coauthors: Assembly Members Burton, Martinez, Polanco, and Vasconcellos) (Coauthors: Senators Ayala, Hayden, Hughes, Killea, Marks, Petris, Rosenthal, Thompson, and Watson) (Coauthors: Assembly Members Baca, Bornstein, Bronshvag, Bustamante, Caldera, Robert Campbell, Cortese, Eastin, Escutia, Terry, Friedman, Gotch, Iseberg, Karnette, Lee, McDonald, Moore, Murray, Napolitano, O'Connell, Solis, Speier, and Tucker)
957	2967	—	Committee on Higher Education (Archie-Hudson (Chairwoman), Baca, Bornstein, Robert Campbell, Karnette, Lee, Martinez, Moore, Solis, Vasconcellos, and Woodruff)	1012	1958	—	Katz (Coauthors: Assembly Members Archie-Hudson, Bowen, Cortese, Ducheny, Escutia, Terry, Friedman, Hauser, Karnette, Lee, McDonald, Murray, Napolitano, O'Connell, and Umberg) (Coauthors: Senators Alquist, Hayden, Hughes, Kopp, Rosenthal, Torres, and Watson)
958	3010	—	Vasconcellos	1013	3335	—	Caldera and Takasugi (Principal coauthors: Assembly Members Horcher, Martinez, and Polanco) (Principal coauthors: Senators Dills and Torres)
959	3072	—	Costa	1014	1045	—	Allen
960	3320	—	Takasugi	1015	645	—	Allen
961	3364	—	Bates and Barbara Friedman	1016	2728	—	Barbara Friedman (Coauthors: Assembly Members Archie-Hudson, Bates, Lee, Murray, and O'Connell) (Coauthor: Senator Watson)
962	3350	—	Woodruff and Vasconcellos (Coauthor: Assembly Member Alpert) (Coauthors: Senators Presley and Watson)	1017	2752	—	Allen
963	—	853	Greene	1018	3053	—	Connolly
964	—	1028	Thompson	1019	3309	—	Takasugi
965	—	1395	Leslie (Coauthor: Senator Boatwright)	1020	3409	—	Umberg
966	—	1337	Thompson	1021	3457	—	Harvey (Principal coauthor: Assembly Member Costa) (Principal coauthor: Senator Wyman) (Coauthors: Assembly Members Andal, Boland, Bowler, Ferguson, Goldsmith, Haynes, Hoge, Honeycutt, Morrow, Rainey, Richter, Snyder, Statham, Weggeland, and Woodruff) (Coauthor: Senator Ayala)
967	—	1357	Thompson	1022	—	1255	Hughes (Coauthor: Assembly Member McDonald)
968	—	1384	Johnston	1023	—	1728	Hughes, Presley, Rosenthal, Watson, and Wyman (Coauthors: Assembly Members Alpert, Caldera, Eastin, and Solis)
969	—	1642	Craven				
969	—	1909	Greene				
970	2444	—	O'Connell (Principal coauthors: Assembly Members Bronshvag and Hauser) (Principal coauthors: Senators Dills, Marks, and Thompson) (Coauthors: Assembly Members Alpert, Bates, Eastin, Terry, Friedman, Gotch, Hannigan, Klehs, McPherson, Sher, and Speier) (Coauthors: Senators Bergeson, Hayden, McCorquodale, and Watson)				
971	2837	—	Cannella, Bowler, Valerie Brown, Goldsmith, Harvey, and Richter (Coauthors: Senators Marks and Wyman)				
972	3073	—	Caldera				
973	3337	—	Hauser				
974	3357	—	Goldsmith				
975	3375	—	Klehs				
976	3776	—	Terry Friedman				
977	—	243	Lewis				
978	—	403	Russell				
979	—	937	Killea (Coauthor: Assembly Member Harvey)				
980	—	959	Johnston and Watson (Principal coauthor: Senator Torres)				
981	—	1346	Roberti				
982	—	1362	Russell				
983	—	1461	Craven (Coauthor: Senator Ayala)				
984	—	1505	Calderon				
985	—	1603	Maddy				
986	—	1637	Killea				
987	—	1646	Rogers				
988	—	1742	Kopp				
989	—	1848	Greene				
990	—	1873	Petris				
991	—	1882	Tom Campbell				
992	—	2065	Killea				

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1024	2658	—	Barbara Friedman (Coauthors: Assembly Members Alpert, Archie-Hudson, Terry Friedman, Martinez, and Murray) (Coauthor: Senator Watson)	1080	—	1391	Thompson (Principal coauthor: Assembly Member Valerie Brown) (Coauthors: Senators Ayala, Kopp, Maddy, McCorquodale, and Presley)
1025	1905	—	Robert Campbell (Principal coauthor: Senator Mello)	1081	—	1418	Johnston
1026	722	—	Karnette (Coauthors: Assembly Members Solis and Eastin) (Coauthor: Senator Watson)	1082	—	1430	Johnston
1027	810	—	Tucker	1083	—	1445	Thompson (Principal coauthors: Assembly Members Connolly and Umberg) (Coauthors: Senators Tom Campbell, Kopp, Leshe, Marks, McCorquodale, Presley, and Russell)
1028	988	—	Tucker	1084	—	1459	Watson (Coauthors: Assembly Members Archie-Hudson, Lee, Murray, and Tucker)
1029	1354	—	Bates	1085	—	1465	Rogers
1030	1374	—	Fraze	1086	—	1457	Mello
1031	1691	—	Margolin	1087	—	1551	Kelley
1032	1901	—	Speier	1088	—	1558	Mello
1033	1996	—	Archie-Hudson	1089	—	1578	Thompson and Marks (Coauthors: Assembly Members Bronshvag, Valerie Brown, and Hauser)
1034	2163	—	Areias	1090	—	1585	Craven (Coauthors: Assembly Members Andal, Bronshvag, Bustamante, Robert Campbell, Cannella, Cortese, Costa, Harvey, Hauser, Haynes, and Knowles)
1035	2411	—	Knight (Principal coauthor: Assembly Member Richter) (Coauthors: Assembly Members Aguiar, Alby, Alpert, Andal, Boland, Bowler, Conroy, Ferguson, Goldsmith, Harvey, Hoge, Honeycutt, McPherson, Morrow, Mountjoy, Ramey, Snyder, Weggeland, and Woodruff) (Coauthors: Senators Presley, Rogers, and Watson)	1091	—	1715	Hart
1036	2415	—	Napolitano	1092	—	1721	Johnston
1037	2438	—	Karnette	1093	—	1723	Kelley
1038	2488	—	Bowen	1094	—	1727	Hughes
1039	2531	—	Gotch	1095	—	1730	Russell
1040	2631	—	Mountjoy (Principal coauthor: Senator Hill)	1096	—	1795	Bergeson
1041	2735	—	Karnette	1097	—	1803	Johnston
1042	2844	—	Cannella	1098	—	1856	Presley
1043	2851	—	Escutia	1099	—	1997	Russell, Kopp, Rogers, and Wyman (Coauthors: Assembly Members Andal, Richter, and Seastrand)
1044	2857	—	Seastrand	1100	—	2003	Russell (Principal coauthor: Senator Hughes) (Principal coauthor: Assembly Member Cannella) (Coauthor: Assembly Member Napolitano)
1045	2909	—	Cannella	1101	—	2004	Petris
1046	2962	—	Baca	1102	—	2083	Tom Campbell
1047	3057	—	Alpert	1103	—	2110	Leslie
1048	3068	—	Bustamante and Costa (Coauthor: Senator Wyman)	1104	901	—	Polanco (Principal coauthor: Senator Calderon)
1049	3086	—	Fraze	1105	3126	—	Johnson (Principal coauthor: Senator Kopp) (Coauthors: Assembly Members Andal, Caldera, Conroy, Eastin, Fraze, Harvey, Horcher, Pringle, Richter, Statham, and Umberg) (Coauthors: Senators Hill and Wyman)
1050	3122	—	Klehs	1106	3189	—	Hoge
1051	3124	—	Richter	1107	3201	—	Baca (Coauthor: Assembly Member Katz) (Coauthors: Senators Ayala and Presley)
1052	3149	—	Tucker	1108	3358	—	Fraze
1053	3162	—	Escutia	1109	1790	—	Hauser
1054	3218	—	Costa	1110	2850	—	Escutia
1055	3246	—	Bustamante	1111	—	290	Leslie
1056	3258	—	Bornstein	1112	3537	—	Sher
1057	3303	—	Woodruff	1113	—	1592	Killea
1058	3373	—	Bustamante (Coauthor: Assembly Member Costa)	1114	2781	—	Horcher
1059	3383	—	Bornstein, Valerie Brown, and Snyder (Coauthor: Assembly Member Jones)	1115	2885	—	Committee on Banking and Finance (Caldera (Chairman), Aguiar, Andal, Bowen, Bowler, Ferguson, Terry Friedman, Hannigan, Katz, Vasconcellos, and Weggeland)
1060	3388	—	Harvey	1116	—	1482	Watson and Johnston
1061	3570	—	Isenberg (Principal coauthor: Assembly Member Margolin) (Principal coauthor: Senator Torres)	1117	—	1490	Johnston (Principal coauthor: Assembly Member Klehs)
1062	3594	—	Weggeland (Principal coauthor: Senator Presley) (Coauthor: Assembly Member Caldera)	1118	—	1768	Johnston (Principal coauthor: Assembly Member McDonald)
1063	3639	—	Margolin	1119	3390	—	Barbara Friedman
1064	3649	—	Weggeland	1120	3660	—	Caldera
1065	3664	—	Martinez (Coauthor: Senator Kopp)	1121	—	1492	Mello
1066	3676	—	Burton	1122	408	—	Escutia
1067	3748	—	Cortese	1123	918	—	Speier and Alpert
1068	3814	—	Willie Brown	1124	1110	—	Bustamante (Coauthor: Senator Wyman)
1069	3625	—	Robert Campbell	1125	1645	—	Moore
1070	—	163	Presley				
1071	—	470	Thompson (Principal coauthor: Assembly Member Hauser)				
1072	—	622	Maddy				
1073	—	783	Lockyer				
1074	—	861	Hughes				
1075	—	869	Bergeson				
1076	—	1001	Bergeson				
1077	—	1111	Ayala				
1078	—	1272	Presley				
1079	—	1333	Lockyer (Principal coauthors: Assembly Members Brulte, Caldera, and Isenberg)				

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1126	1836	—	Eastin (Coauthors: Assembly Members Quackenbush and Weggeland)	1170	3769	—	Weggeland (Principal coauthor: Assembly Member Woodruff) (Principal coauthors: Senators Avala and Presley) (Coauthor: Assembly Member Aguiar)
1127	1859	—	Vasconcellos (Coauthors: Assembly Members Alpert, Baca, Boland, Bronshvag, Conroy, Epple, Martinez, Moore, Murray, Polanco, Rainey, Solis, and Takasugi)	1171	2981	—	Hannigan (Coauthor: Senator Torres)
1128	1892	—	Polanco	1172	2971	—	O'Connell
1129	2052	—	Margolin	1173	3182	—	Bates (Principal coauthor: Assembly Member Lee)
1130	2233	—	McDonald	1174	3535	—	Harvey
1131	3075	—	Costa	1175	1900	—	Terry Friedman (Coauthor: Senator Johnston)
1132	3083	—	Alpert	1176	3760	—	Speier
1133	3148	—	Katz (Principal coauthor: Assembly Member Speier) (Coauthors: Assembly Members Aguiar, Andal, Bowen, Valerie Brown, Connolly, Ferguson, Hauser, Horcher, Johnson, Karnette, Richter, Rogan, Statham, and Umberg) (Coauthors: Senators Bergeson, Craven, Johnston, Presley, and Torres)	1177	472	—	Cortese
1134	3296	—	Robert Campbell	1178	—	1969	Hughes (Coauthors: Assembly Members Horcher and Karnette)
1135	3302	—	Speier (Coauthor: Assembly Member Archie-Hudson) (Coauthor: Senator Watson)	1179	—	455	Presley
1136	3575	—	Speier	1180	—	1486	Peace (Principal coauthor: Assembly Member Connolly) (Coauthor: Senator Torres) (Coauthors: Assembly Members Bronshvag, Costa, Hauser, and Moore)
1137	3611	—	Moore	1181	—	1607	McCorquodale (Coauthors: Assembly Members Jones and Snyder)
1138	—	151	Watson	1182	—	1849	Greene
1139	—	217	Dills	1183	3466	—	Weggeland
1140	—	279	Calderon	1184	—	569	Greene
1141	—	366	Maddy	1185	3469	—	Bustamante (Coauthor: Assembly Member Polanco) (Coauthor: Senator Dills)
1142	—	1498	Hughes, Kelley, and Lewis (Coauthors: Assembly Members Bronshvag and Karnette)	1186	—	1537	Thompson
1143	—	1683	Thompson	1187	—	3205	Knight
1144	—	1910	Greene	1188	—	59	McCorquodale
1145	446	—	Sher	1189	—	1545	Committee on Elections and Reapportionment (Senators Marks (Chair), Beverly, Boatwright, Craven, Rosenthal, and Torres)
1146	1963	—	Katz	1190	—	728	Presley
1147	2762	—	Sher (Coauthor: Senator Presley)	1191	—	1764	Thompson (Principal coauthor: Senator Calderon) (Coauthor: Senator Kopp) (Coauthors: Assembly Members Bronshvag, Hauser, and Richter)
1148	2874	—	Snyder (Coauthor: Senator Dills)	1192	—	2050	Presley (Principal coauthors: Assembly Members Goldsmith and Richter)
1149	2878	—	Alpert (Coauthors: Assembly Members Bornstein, Bronshvag, Connolly, Costa, Eastin, Karnette, Lee, O'Connell, Snyder, Solis, and Vasconcellos) (Coauthors: Senators Torres and Watson)	1193	600	—	Speier
1150	2938	—	Aguiar	1194	1448	—	Rainey
1151	3082	—	Alpert	1195	1808	—	Areias, Bates, Burton, and Farr (Principal coauthors: Senators Alquist and Tom Campbell)
1152	3352	—	Gotch	1196	2949	—	Vasconcellos
1153	3467	—	Murray	1197	3080	—	Katz
1154	3582	—	Richter	1198	2543	—	Lee (Coauthors: Assembly Members Archie-Hudson, Bronshvag, Klehs, Moore, Murray, O'Connell, and Vasconcellos) (Coauthor: Senator Watson)
1155	—	285	Johnston	1199	133	—	Willie Brown (Coauthors: Senators Leonard and Roberti)
1156	—	1456	Rosenthal	1200	—	469	Beverly (Coauthor: Senator Killea)
1157	—	1521	Kelley and Hughes	1201	—	1397	Johnston (Principal coauthor: Senator McCorquodale)
1158	—	1534	Johnston (Principal coauthor: Senator Thompson) (Coauthor: Senators Greene and Johannessen)	1202	—	1638	Lockyer (Coauthor: Assembly Member Goldsmith)
1159	—	1579	Wright	1203	—	1689	Hart
1160	—	1747	Calderon	1204	3101	—	Caldera (Coauthor: Assembly Member Conroy)
1161	—	1759	Kopp	1205	3905	—	Richter (Principal coauthor: Assembly Member Tucker)
1162	3204	—	Cannella (Principal coauthor: Assembly Member McPherson)	1206	—	1775	Presley
1163	253	—	Bronshvag and Senator Peace (Principal coauthor: Senator Dills) (Coauthors: Senators Mello, Rosenthal, and Torres)	1207	—	1518	Marks
1164	3651	—	Hauser (Principal coauthor: Assembly Member Bornstein)	1208	—	967	Sher
1165	3739	—	Gotch	1209	—	2672	Cortese
1166	786	—	Hannigan (Principal coauthors: Assembly Members Bronshvag and Valerie Brown)	1210	—	2793	Barbara Friedman
1167	3347	—	Gotch	1211	—	3032	Bustamante
1168	—	1035	Thompson (Principal coauthor: Assembly Member Valerie Brown)	1212	—	3245	Epple
1169	—	1600	Mello (Principal coauthor: Assembly Member McPherson) (Coauthor: Assembly Member Areias)	1213	—	3287	Tucker
				1214	—	3404	Cannella
				1215	—	3424	Statham

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1216	—	1802	Rosenthal	1257	—	1240	Marks
1217	—	1899	Peace	1258	—	1368	Peace
1218	—	1952	Rosenthal	1259	—	1860	Leslie
1219	—	1988	Alquist	1260	3606	—	Moore
1220	3132	—	Katz	1261	3755	—	Honeycutt (Principal coauthor: Senator Ayala)
1221	—	1758	Kopp (Coauthors: Senators Alquist and Boatwright); (Coauthors: Assembly Members Bornstein, Conroy, Harvey, O'Connell, Rainey, and Richter)	1262	2768	—	Quackenbush (Coauthor: Assembly Member Alpert)
1222	—	1431	Committee on Revenue and Taxation (Senators Greene (Chairman), Boatwright, Tom Campbell, Dills, Hayden, and Lockyer)	1263	1328	—	Epple (Coauthor: Assembly Member Umberg)
1223	3629	—	Karnette	1264	3738	—	Honeycutt and Haynes
1224	1838	—	Robert Campbell	1265	3628	—	Karnette
1225	2955	—	Karnette	1266	3804	—	Terry Friedman
1226	—	1026	Thompson and Leslie	1267	—	1984	Bergeson
1227	688	—	Sher	1268	2560	—	Gotch
1228	—	1735	Greene	1269	2208	—	Committee on Judiciary as presented by Assembly Member Caldera on behalf of the committee (Archie-Hudson, Collins, Connolly, Epple, Goldsmith, Horcher, Isenberg, Snyder, Speier, Statham, and Weggeland)
1229	—	1971	Bergeson (Principal coauthor: Senator Ayala)	1270	2659	—	Morrow
1230	—	749	Thompson	1271	2105	—	Knowles
1231	405	—	Hauser	1272	—	2057	Watson (Principal coauthor: Assembly Member Lee) (Coauthor: Assembly Member Willie Brown)
1232	3619	—	Moore	1273	—	2038	McCorquodale
1233	3681	—	Allen	1274	—	2039	McCorquodale
1234	2556	—	Martinez, Nolan, Bustamante, Caldera, Connolly, Goldsmith, Horcher, Isenberg, Murray, and Napolitano	1275	—	2101	McCorquodale
1235	51	—	Costa (Coauthor: Assembly Member Goldsmith)	1276	595	—	Speier
1236	2425	—	Baca, Eastin, and Solis	1277	1920	—	Peace
1237	2639	—	Terry Friedman	1278	—	2079	Tom Campbell
1238	3638	—	Margolin	1279	3443	—	Connolly
1239	457	—	Presley	1280	—	1857	Watson
1240	—	679	Thompson (Coauthor: Assembly Member Hauser)	1281	—	1972	Tom Campbell
1241	—	1029	Thompson	1282	2994	—	Bruite (Coauthor: Assembly Member Cortese)
1242	3343	—	Hannigan	1283	3234	—	Murray
1243	—	1805	Committee on Revenue and Taxation (Senators Greene (Chairman), Boatwright, Tom Campbell, Hayden, Kopp, and Maddy)	1284	—	1966	Calderon
1244	2976	—	Solis (coauthor: Assembly Member Areias)	1285	3291	—	McPherson
1245	1983	—	O'Connell (Coauthor: Senator Hart)	1286	2902	—	Conroy
1246	3477	—	O'Connell (Coauthors: Assembly Members Areias, Bornstein, Connolly, Costa, Eastin, Martinez, Moore, Murray, Solis, and Snyder) (Coauthors: Senators Dills, McCorquodale, Presley, and Watson)	1287	3816	—	O'Connell
1247	1926	—	Peace (Coauthor: Assembly Member O'Connell)	1288	3235	—	Solis
1248	—	1743	Lockyer (Coauthor: Assembly Member Martinez)	1289	—	496	Ayala (Principal coauthor: Assembly Member Aguiar)
1249	2240	—	McDonald (Principal coauthor: Assembly Member Karnette)	1290	2590	—	Eastin, Alpert, Escutia, Karnette, Lee, McDonald, Snyder, and Solis (Coauthor: Senator Watson)
1250	2571	—	Polanco	1291	—	657	Tom Campbell
1251	2663	—	Sher and Gotch	1292	—	1777	Thompson (coauthor: Senator Calderon) (Coauthors: Assembly Members Caldera, Terry Friedman, and Solis)
1252	2890	—	Statham	1293	—	1911	Thompson
1253	3539	—	Aguiar (Principal coauthor: Senator Leslie)	1294	314	—	Sher and Allen (Principal coauthor: Senator Dills)
1254	3566	—	Bornstein	1295	2632	—	Solis (Coauthor: Senator Torres)
1255	3669	—	Ferguson (Principal coauthors: Assembly Members Conroy and Horcher) (Coauthors: Assembly Members Andal, Goldsmith, Haynes, and Morrow) (Coauthor: Senator Lewis)	1296	2925	—	Sher (Principal coauthors: Assembly Members Bronshvag, Willie Brown, and Hauser) (Coauthor: Senator Thompson)
1256	3731	—	Umberg	1297	3418	—	Weggeland (Principal coauthor: Senator Kelley) (Coauthors: Assembly Members Bornstein, Haynes, and Woodruff) (Coauthor: Senator Presley)
				1298	3425	—	Sher
				1299	3558	—	Rainey (Principal coauthor: Assembly Member Mountjoy)

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2	SJR 15	Dills (Principal coauthor: Assembly Member Katz) (Coauthor: Senator Rogers)			O'Connell, Quackenbush, Rainey, Seastrand, Snyder, and Statham) (Coauthors: Senators Marks and Russell)
3	ACR 85	Willie Brown (Principal coauthor: Senator Roberti) (Coauthors: Assembly Members Aguiar, Alby, Alpert, Andal, Archie-Hudson, Areatas, Baca, Bates, Boland, Bornstein, Bowen, Bronshvag, Valerie Brown, Burton, Bustamante, Caldera, Connolly, Cortese, Costa, Eastin, Escutia, Ferguson, Frazee, Barbara Friedman, Terry Friedman, Gotch, Hannigan, Hauser, Hoge, Horcher, Isenberg, Johnson, Jones, Karmette, Katz, Klehs, Lee, Margolin, Martinez, McDonald, McPherson, Moore, Mountjoy, Murray, Napolitano, Nolan, O'Connell, Polanco, Quackenbush, Rainey, Seastrand, Sher, Snyder, Solis, Statham, Takasugi, Tucker, Umberg, Vasconcellos, Weggeland, and Woodruff) (Coauthors: Senators Bergeson, Craven, Dills, Greene, Hughes, Johnston, Maddy, and Watson)	8	ACR 107	Burton
			9	ACR 84	Murray, Aguiar, Alpert, Bates, Boland, Bornstein, Bowen, Bowler, Valerie Brown, Bustamante, Caldera, Robert Campbell, Cannella, Connolly, Conroy, Cortese, Costa, Epple, Ferguson, Gotch, Harvey, Hauser, Honeycutt, Horcher, Isenberg, Karmette, Katz, Lee, Martinez, McDonald, McPherson, Moore, Napolitano, Nolan, O'Connell, Polanco, Rainey, Seastrand, Sher, Snyder, Solis, Speier, Statham, Umberg, and Vasconcellos (Coauthors: Senators Calderon, Dills, Hill, Hughes, Leonard, Marks Presley, Rogers, Thompson, Watson, and Wyman)
			10	ACR 75	Burton and Willie Brown
			11	ACR 98	Goldsmith
			12	SCR 39	Beverly
			13	SCR 40	McCorquodale, Alquist, Ayala, Bergeson, Beverly, Boatwright, Calderon, Tom Campbell, Craven, Dills, Greene, Hart, Hayden, Hill, Hughes, Hurd, Johannessen, Johnston, Kelley, Killea, Kopp, Leonard, Leslie, Lewis, Lockyer, Maddy, Marks, Mello, Peace, Petris, Presley, Roberti, Rogers, Rosenthal, Russell, Thompson, Torres, Watson, Wright, and Wyman (Coauthors: Assembly Members Aguiar, Alby, Allen, Alpert, Archie-Hudson, Baca, Bates, Boland, Bornstein, Bowen, Bowler, Bronshvag, Valerie Brown, Willie Brown, Brulte, Burton, Bustamante, Caldera, Robert Campbell, Cannella, Connolly, Conroy, Cortese, Costa, Eastin, Epple, Escutia, Ferguson, Frazee, Barbara Friedman, Goldsmith, Gotch, Hannigan, Harvey, Hauser, Haynes, Hoge, Honeycutt, Horcher, Isenberg, Johnson, Jones, Karmette, Klehs, Knight, Knowles, Lee, Martinez, McPherson, Moore, Morrow, Mountjoy, Napolitano, O'Connell, Polanco, Quackenbush, Rainey, Richter, Seastrand, Sher, Snyder, Solis, Statham, Takasugi, Tucker, Umberg, Weggeland, and Woodruff)
4	ACR 86	Lee, McDonald, Murray, Willie Brown, Archie-Hudson, Moore, Tucker, Aguiar, Alby, Allen, Alpert, Andal, Areatas, Baca, Bates, Boland, Bornstein, Bowen, Bronshvag, Valerie Brown, Brulte, Burton, Bustamante, Caldera, Robert Campbell, Cannella, Connolly, Conroy, Cortese, Costa, Epple, Escutia, Frazee, Barbara Friedman, Goldsmith, Gotch, Hannigan, Harvey, Haynes, Hoge, Horcher, Isenberg, Johnson, Jones, Katz, Klehs, Knight, Knowles, Margolin, Martinez, McPherson, Mountjoy, Napolitano, Nolan, O'Connell, Polanco, Pringle, Rainey, Richter, Seastrand, Sher, Snyder, Solis, Speier, Takasugi, Umberg, Vasconcellos, and Weggeland (Coauthors: Senators Hughes, Johannessen, Marks, Rosenthal, and Watson)			
5	ACR 100	McPherson			
6	ACR 89	Solis (Principal coauthor: Assembly Member Valerie Brown) (Coauthors: Assembly Members Alpert, Bates, Bowen, Bronshvag, Bustamante, Caldera, Cannella, Conroy, Cortese, Costa, Epple, Barbara Friedman, Terry Friedman, Gotch, Hannigan, Hauser, Isenberg, Johnson, Karmette, Katz, Lee, Martinez, McDonald, McPherson, Moore, Murray, O'Connell, Sher, Snyder, Umberg, Vasconcellos, Woodruff, Aguiar, Allen, Archie-Hudson, Baca, Bornstein, Willie Brown, Burton, Connolly, Escutia, Ferguson, Frazee, Harvey, Haynes, Hoge, Honeycutt, Horcher, Klehs, Margolin, Mountjoy, Napolitano, Polanco, Quackenbush, Speier, and Weggeland) (Coauthors: Senators Bergeson, Calderon, Craven, Dills, Greene, Hart, Hayden, Hughes, Killea, Lockyer, Marks, McCorquodale, Petris, Presley, Rosenthal, Thompson, Watson, and Wright)	14	ACR 82	Katz, Andal, Aguiar, Alpert, Archie-Hudson, Bates, Boland, Bornstein, Bowen, Bowler, Bronshvag, Valerie Brown, Willie Brown, Brulte, Bustamante, Caldera, Cannella, Robert Campbell, Connolly, Conroy, Cortese, Costa, Eastin, Epple, Ferguson, Frazee, Barbara Friedman, Goldsmith, Gotch, Harvey, Hauser, Horcher, Isenberg, Johnson, Karmette, Klehs, Lee, Margolin, Martinez, McDonald, McPherson, Moore, Mountjoy, Murray, Napolitano, O'Connell, Polanco, Pringle, Rainey, Richter, Seastrand, Sher, Snyder, Speier, Solis, Statham, Takasugi, Umberg, Vasconcellos, and Weggeland (Coauthors: Senators Alquist, Bergeson, Boatwright, Calderon, Dills, Greene, Hayden, Hill, Hughes, Johnston, Kelley, Kopp, Leonard, Leslie, Lockyer, Marks, McCorquodale, Peace, Petris, Presley, Roberti, Rogers, Rosenthal, Thompson, Wright, and Wyman)
7	AJR 63	Cortese (Principal coauthor: Senator Thompson) (Coauthors: Assembly Members Costa, Areatas, Bowler, Bronshvag, Valerie Brown, Bustamante, Cannella, Frazee, Hannigan, Hauser,			

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16	ACR 93	McDonald, Aguiar, Alby, Allen, Alpert, Andal, Archie-Hudson, Baca, Bates, Boland, Bornstein, Bowen, Bronshvag, Willie Brown, Bustamante, Caldera, Cannella, Connolly, Conroy, Costa, Eastin, Epple, Ferguson, Frazee, Gotch, Hannigan, Harvey, Hauser, Hoge, Isenberg, Johnson, Karnette, Katz, Klehs, Knight, Knowles, Lee, Martinez, McPherson, Moore, Morrow, Murray, Napolitano, O'Connell, Polanco, Pringle, Quackenbush, Rainey, Richter, Sher, Snyder, Solis, Speier, Statham, Takasugi, Umberg, and Weggeland	27	SCR 36	Hauser, Haynes, Horcher, Karnette, Klehs, McDonald, McPherson, Moore, Murray, Napolitano, O'Connell, Polanco, Rainey, Seastrand, Snyder, Solis, Tucker, Umberg, and Woodruff)
17	AJR 16	Areias (Principal coauthor: Senator Mello) (Coauthor: Assembly Member Farr)			
18	ACR 12	Hauser			
19	AJR 71	McPherson and Alby (Principal coauthor: Assembly Member McDonald) (Coauthors: Assembly Members Aguiar, Alpert, Andal, Boland, Bornstein, Bowler, Bronshvag, Brulte, Cannella, Cortese, Costa, Eastin, Epple, Ferguson, Frazee, Terry Friedman, Harvey, Hauser, Haynes, Hoge, Honeycutt, Mountjoy, O'Connell, Polanco, Pringle, Rainey, Richter, Seastrand, Snyder, Solis, Speier, Statham, and Umberg) (Coauthors: Senators Bergeson, Beverly, Calderon, Dills, Hill, Presley, Watson, and Wyman)	28	ACR 124	Wymann, Alquist, Ayala, Bergeson, Beverly, Boatwright, Craven, Hughes, Hurtt, Johannessen, Johnston, Kopp, Leonard, Leslie, Lewis, Lockyer, Maddy, McCorquodale, Rogers, Russell, Torres, Watson, and Wright (Coauthors: Assembly Members Aguiar, Alby, Allen, Alpert, Andal, Baca, Boland, Bowler, Brulte, Conroy, Cortese, Epple, Frazee, Goldsmith, Harvey, Hauser, Haynes, Hoge, Honeycutt, Jones, Knight, Knowles, McPherson, Morrow, Mountjoy, Murray, Pringle, Rainey, Richter, Seastrand, Sher, Snyder, Takasugi, Weggeland, and Woodruff)
20	ACR 103	Horcher, Aguiar, Alpert, Boland, Bowen, Bronshvag, Cannella, Conroy, Cortese, Costa, Epple, Ferguson, Harvey, Hoge, Honeycutt, Karnette, Katz, Martinez, O'Connell, Pringle, Richter, Seastrand, Solis, Speier, Statham, Takasugi, Umberg, Weggeland, and Woodruff (Coauthors: Senators Calderon, Leslie, McCorquodale, Presley, Thompson, Torres, Wright, and Wyman)	29	SCR 39	Peace
21	ACR 83	Alpert, Aguiar, Allen, Andal, Archie-Hudson, Baca, Bates, Bornstein, Bowen, Bowler, Bronshvag, Valerie Brown, Willie Brown, Burton, Bustamante, Caldera, Robert Campbell, Cannella, Connolly, Cortese, Costa, Eastin, Epple, Escutia, Ferguson, Frazee, Barbara Friedman, Terry Friedman, Goldsmith, Gotch, Hannigan, Hauser, Isenberg, Johnson, Karnette, Katz, Klehs, Lee, Margolin, Martinez, McDonald, McPherson, Moore, Morrow, Murray, Napolitano, Nolan, O'Connell, Polanco, Richter, Sher, Snyder, Solis, Speier, Statham, Tucker, Umberg, Vasconcellos, and Woodruff	30	SCR 48	Leslie (Coauthors: Assembly Members Knowles, Aguiar, Alby, Allen, Alpert, Andal, Baca, Boland, Bornstein, Brulte, Bustamante, Cannella, Connolly, Conroy, Cortese, Costa, Ducheny, Epple, Ferguson, Frazee, Goldsmith, Hannigan, Harvey, Hauser, Haynes, Hoge, Honeycutt, Horcher, Jones, Knight, Knowles, McPherson, Moore, Mountjoy, Murray, Napolitano, Polanco, Rainey, Richter, Seastrand, Snyder, Solis, Statham, Takasugi, Tucker, Umberg, Weggeland, and Woodruff)
22	ACR 116	Hauser (Coauthor: Senator Bergeson)	31	ACR 120	Bronshvag, Escutia, and Barbara Friedman
23	AJR 64	Vasconcellos	32	AJR 26	Alpert, Willie Brown, Connolly, Costa, Barbara Friedman, Terry Friedman, Hauser, Klehs, Martinez, Moore, O'Connell, and Sher (Coauthors: Senators Calderon, Hughes, Thompson, and Watson)
24	AJR 84	Costa	33	ACR 130	Hannigan
25	AJR 51	Solis	34	AJR 61	Conroy (Coauthors: Assembly Members Bowen, Robert Campbell, Cannella, Cortese, Costa, Epple, Hoge, Morrow, Rainey, Richter, Seastrand, Statham, Umberg, and Woodruff) (Coauthors: Senators Beverly, Calderon, Leonard, Lewis, Presley, Rogers, Torres, and Wyman)
26	SCR 42	Watson, Alquist, Ayala, Bergeson, Beverly, Boatwright, Calderon, Tom Campbell, Dills, Greene, Hart, Hayden, Hill, Hughes, Johannessen, Johnson, Kelley, Killea, Kopp, Leslie, Lewis, Lockyer, Marks, McCorquodale, Mello, Peace, Petris, Presley, Roberti, Rosenthal, Thompson, Torres, Wright, and Wyman (Coauthors: Assembly Members Allen, Alpert, Archie-Hudson, Areias, Baca, Bornstein, Bowen, Bronshvag, Valerie Brown, Willie Brown, Burton, Bustamante, Caldera, Cannella, Connolly, Conroy, Cortese, Ducheny, Epple, Escutia, Frazee, Barbara Friedman, Terry Friedman, Goldsmith, Gotch, Hannigan, Harvey, Hauser, Haynes, Hoge, Honeycutt, Horcher, Isenberg, Jones, Karnette, Katz, Klehs, Knight, Knowles, Martinez, McPherson, Moore, Morrow, Murray,	35	ACR 88	McDonald, Aguiar, Alby, Allen, Alpert, Archie-Hudson, Areias, Baca, Bornstein, Bowen, Bronshvag, Valerie Brown, Willie Brown, Burton, Bustamante, Caldera, Cannella, Connolly, Conroy, Cortese, Ducheny, Epple, Escutia, Frazee, Barbara Friedman, Terry Friedman, Goldsmith, Gotch, Hannigan, Harvey, Hauser, Haynes, Hoge, Honeycutt, Horcher, Isenberg, Jones, Karnette, Katz, Klehs, Knight, Knowles, Martinez, McPherson, Moore, Morrow, Murray,

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36	ACR 87	Aguiar	47	ACR 76	O'Connell (Principal coauthor: Senator Hart) (Coauthor: Assembly Member Seastrand)
37	ACR 132	Karnette, Alpert, Areias, Baca, Bornstein, Bowen, Valerie Brown, Willie Brown, Bustamante, Caldera, Connolly, Cortese, Costa, Ducheny, Epple, Escutia, Frazee, Barbara Friedman, Terry Friedman, Gotch, Harvey, Hauser, Horcher, Isenberg, Jones, Katz, Klehs, Lee, Martinez, McDonald, Murray, Napolitano, O'Connell, Polanco, Richter, Rogan, Seastrand, Sher, Snyder, Solis, Statham, Tucker, Umberg, and Woodruff (Coauthors: Senators Alquist, Ayala, Bergeson, Beverly, Boatwright, Calderon, Tom Campbell, Craven, Green, Hart, Hayden, Hill, Hughes, Hurtt, Johannessen, Johnston, Kelley, Killea, Kopp, Leonard, Leslie, Lewis, Lockyer, Maddy, Marks, McCorquodale, Mello, Peace, Petris, Presley, Roberti, Rogers, Rosenthal, Russell, Thompson, Torres, Watson, Wright, and Wyman)	48	AJR 69	Weggeland
38	ACR 129	Epple	49	AJR 70	Weggeland
39	AJR 86	Alpert	50	AJR 77	Costa (Principal coauthor: Senator Torres)
40	ACR 91	Connolly (Principal coauthor: Assembly Member Boland) (Coauthors: Assembly Members Baca, Cortese, Aguiar, Alby, Allen, Alpert, Andal, Bates, Bornstein, Bowen, Bowler, Bronsvag, Valerie Brown, Willie Brown, Brulte, Burton, Bustamante, Caldera, Cannella, Conroy, Costa, Ducheny, Eastin, Epple, Escutia, Ferguson, Frazee, Barbara Friedman, Gotch, Hannigan, Harvey, Hoge, Honeycutt, Horcher, Isenberg, Johnson, Karnette, Katz, Klehs, Knight, Knowles, Lee, Margolin, Martinez, McDonald, McPherson, Morrow, Mountjoy, Murray, Napolitano, O'Connell, Pringle, Rainey, Richter, Seastrand, Snyder, Solis, Statham, Takasugi, Tucker, Umberg, and Weggeland)	51	AJR 78	Pringle, Alby, Andal, Boland, Connolly, Conroy, Goldsmith, Harvey, Haynes, Hoge, Honeycutt, Morrow, Quackenbush, Rainey, Seastrand, Takasugi, and Weggeland (Coauthors: Senators Presley and Wyman)
		Connolly (Principal coauthor: Assembly Member Horcher) (Coauthors: Assembly Members Mountjoy, Alpert, Andal, Archie-Hudson, Baca, Boland, Bornstein, Bronsvag, Valerie Brown, Willie Brown, Brulte, Bustamante, Cannella, Connolly, Cortese, Costa, Ducheny, Eastin, Epple, Escutia, Ferguson, Frazee, Barbara Friedman, Goldsmith, Gotch, Hannigan, Harvey, Hoge, Honeycutt, Johnson, Jones, Karnette, Klehs, Knight, Knowles, McDonald, McPherson, Moore, Morrow, Murray, Napolitano, O'Connell, Pringle, Rainey, Richter, Seastrand, Snyder, Solis, Statham, Takasugi, Tucker, Umberg, and Weggeland)	52	ACR 80	Bronsvag and Hauser (Coauthor: Senator Marks)
		Snyder and Margolin (Coauthor: Assembly Member Barbara Friedman)	53	ACR 106	McPherson
		Mountjoy (Principal coauthor: Assembly Member Polanco) (Principal coauthor: Senator Torres) (Coauthors: Assembly Members Aguiar, Alby, Allen, Alpert, Andal, Archie-Hudson, Areias, Baca, Boland, Bornstein, Bowen, Bowler, Bronsvag, Valerie Brown, Willie Brown, Brulte, Burton, Bustamante, Caldera, Cannella, Connolly, Conroy, Cortese, Costa, Epple, Escutia, Ferguson, Frazee, Barbara Friedman, Terry Friedman, Goldsmith, Gotch, Harvey, Hauser, Haynes, Hoge, Honeycutt, Horcher, Isenberg, Johnson, Katz, Klehs, Knight, Knowles, Margolin, Martinez, McDonald, Moore, Morrow, Murray, Napolitano, Nolan, O'Connell, Peace, Pringle, Quackenbush, Rainey, Richter, Seastrand, Sher, Solis, Speier, Statham, Takasugi, Umberg, Weggeland, and Woodruff) (Coauthors: Senators Hurtt, Kelley, Rogers, Russell, and Wyman)	54	AJR 7	Conroy
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		Lee, Alpert, Bowen, Bronsvag, Valerie Brown, Cannella, Connolly, Cortese, Escutia, Gotch, Hauser, Martinez, Murray, O'Connell, Richter, Solis, Statham, Umberg, and Vasconcellos (Coauthor: Senator Watson)	57	AJR 52	Cortese
		Epple (Coauthors: Assembly Members Aguiar, Alby, Allen, Alpert, Areias, Baca, Boland, Bornstein, Bowen, Bowler, Bronsvag, Valerie Brown, Willie Brown, Brulte, Bustamante, Caldera, Cannella, Connolly, Conroy, Cortese, Costa, Eastin, Frazee, Frazee, Barbara Friedman, Terry Friedman, Gotch, Hannigan, Harvey, Hoge, Honeycutt, Horcher, Isenberg, Johnson, Katz, Klehs, Knight, Knowles, Lee, Martinez, McDonald, McPherson, Moore, Morrow, Mountjoy, Murray, Napolitano, O'Connell, Polanco, Pringle, Quackenbush, Rainey, Richter, Seastrand, Snyder, Solis, Statham, Takasugi, Tucker, Umberg, Weggeland, and Woodruff)	58	AJR 81	Lee, Alpert, Bowen, Bronsvag, Valerie Brown, Cannella, Connolly, Cortese, Escutia, Gotch, Hauser, Martinez, Murray, O'Connell, Richter, Solis, Statham, Umberg, and Vasconcellos (Coauthor: Senator Watson)
43	SJR 45	Marks	59	SCA 38	Marks
44	AJR 60	Archie-Hudson	60	ACR 77	Epple (Coauthors: Assembly Members Aguiar, Alby, Allen, Alpert, Areias, Baca, Boland, Bornstein, Bowen, Bowler, Bronsvag, Valerie Brown, Willie Brown, Brulte, Bustamante, Caldera, Cannella, Connolly, Conroy, Cortese, Costa, Eastin, Frazee, Goldsmith, Gotch, Hannigan, Harvey, Hauser, Haynes, Hoge, Honeycutt, Horcher, Isenberg, Karnette, Katz, Lee, Martinez, McDonald, McPherson, Moore, Murray, Napolitano, O'Connell, Polanco, Rainey, Richter, Seastrand, Sher, Snyder, Solis, Statham,
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Res. Ch.	Res. No.	Author	Res. Ch.	Res. No.	Author
		Tucker, Umberg, Vasconcellos, Weggeland, and Woodruff) (Coauthors: Senators Calderon, Dills, Hill, Hughes, Johnston, Kelley, Killea, Kopp, Leonard, Leslie, McCorquodale, Presley, Rogers, Rosenthal, Thompson, Watson, Wright, and Wyman)	79	AJR 92	Honeycutt (Principal coauthors: Assembly Members Knight, Harvey, Takasugi, and Woodruff) (Principal coauthors: Senators Rogers, Leonard, and Wyman) (Coauthors: Assembly Members Aguiar, Allen, Alpert, Andal, Archie-Hudson, Areias, Baca, Boland, Bornstein, Valerie Brown, Willie Brown, Brulte, Caldera, Cannella, Connolly, Conroy, Cortese, Ducheny, Epple, Escutia, Ferguson, Frazee, Goldsmith, Gotch, Hannigan, Hauser, Haynes, Hoge, Horcher, Johnson, Knowles, Lee, Martinez, McDonald, McPherson, Morrow, Mountjoy, Murray, Napolitano, O'Connell, Polanco, Pringle, Rainey, Rogan, Seastrand, Snyder, Tucker, Umberg, and Weggeland)
61	AJR 40	Alpert	80	ACR 140	Burton and Willie Brown
62	AJR 75	Bornstein	81	SCR 54	Roberts
63	AJR 80	McDonald, Allen, Alpert, Archie-Hudson, Areias, Baca, Bornstein, Bowen, Bronshvag, Valerie Brown, Willie Brown, Bustamante, Conroy, Cortese, Costa, Ducheny, Escutia, Frazee, Barbara Friedman, Gotch, Hannigan, Harvey, Hauser, Horcher, Isenberg, Karnette, Lee, Martinez, McPherson, Murray, Napolitano, O'Connell, Polanco, Rogan, Sher, Snyder, Solis, Takasugi, Umberg, Vasconcellos, Weggeland, and Woodruff	82	SCR 44	Calderon
64	ACR 111	Katz, Andal, Boland, Bowen, Caldera, Robert Campbell, Cannella, Connolly, Cortese, Costa, Eastin, Epple, Terry Friedman, Harvey, Hauser, Karnette, Martinez, Moore, Murray, Napolitano, O'Connell, Polanco, Rainey, Speier, Statham, and Umberg (Coauthors: Senators Alquist, Bergeson, Calderon, Hagedorn, Hughes, McCorquodale, Roberts, Rosenthal, Torres, Watson, Wright, and Wyman)	83	SJR 31	Thompson (Coauthor: Assembly Member Hauser)
65	SCR 55	Peace	84	SJR 50	Beverly (Coauthors: Assembly Members Karnette, Alpert, Archie-Hudson, Areias, Baca, Bornstein, Bowen, Bronshvag, Valerie Brown, Willie Brown, Cannella, Connolly, Conroy, Cortese, Costa, Eastin, Epple, Escutia, Frazee, Gotch, Harvey, Hauser, Hoge, Honeycutt, Horcher, Isenberg, Katz, Knight, Martinez, McDonald, McPherson, Moore, Morrow, Napolitano, O'Connell, Quackenbush, Rainey, Solis, Statham, Weggeland, and Woodruff)
66	SJR 5	McCorquodale	85	AJR 94	Bustamante (Coauthors: Assembly Members Alby, Allen, Alpert, Andal, Areias, Baca, Bornstein, Bowen, Valerie Brown, Willie Brown, Caldera, Cannella, Connolly, Conroy, Costa, Eastin, Epple, Frazee, Barbara Friedman, Terry Friedman, Goldsmith, Gotch, Hannigan, Harvey, Hauser, Haynes, Hoge, Horcher, Isenberg, Jones, Karnette, Katz, Klehs, Knight, Lee, Martinez, McDonald, McPherson, Moore, Morrow, Murray, Napolitano, O'Connell, Polanco, Quackenbush, Rainey, Richter, Rogan, Seastrand, Sher, Snyder, Solis, Statham, Vasconcellos, and Woodruff) (Coauthors: Senators Kopp, Torres, Wright, and Wyman)
67	ACR 126	Cannella (Coauthor: Senator McCorquodale)	86	SCR 47	Peace
68	ACR 135	Burton	87	SCR 49	Rosenthal
69	SJR 37	Torres (Coauthor: Assembly Member McDonald)	88	SCR 53	Alquist (Principal coauthor: Assembly Member Bowen) (Coauthors: Senators Boatwright, Hill, Kopp, and Thompson) (Coauthors: Assembly Members Horcher and Katz)
70	SCR 32	Mello (Coauthor: Senator Tom Campbell)	89	SCR 54	Alquist (Principal coauthor: Assembly Member Vasconcellos) (Coauthors: Senators Tom Campbell, Wright, and Wyman) (Coauthors: Assembly Members Cortese, Ferguson, Goldsmith, and Quackenbush)
71	SCR 46	McCorquodale (Principal coauthor: Senator Mello) (Coauthors: Senators Alquist, Tom Campbell, and Lockyer) (Coauthors: Assembly Members Areias, Cortese, Sher, and Vasconcellos)	90	ACR 53	Karnette (Coauthors: Assembly Members Archie-Hudson, Bornstein, Bowen, Valerie Brown, Caldera, Cannella, Connolly, Cortese, Eastin, Terry Friedman, Gotch, Hauser, Horcher, Martinez, McDonald, Moore, Napolitano, O'Connell, Pringle, Rainey, Rogan, Seastrand, Snyder, Solis, Takasugi, Umberg, and Wyman)
72	SJR 23	Mello			
73	AJR 87	Baca, Bronshvag, Areias, Eastin, Alpert, Archie-Hudson, Bornstein, Bowen, Valerie Brown, Willie Brown, Burton, Bustamante, Caldera, Robert Campbell, Connolly, Ducheny, Escutia, Gotch, Hannigan, Karnette, Katz, Lee, Martinez, McDonald, Moore, Napolitano, O'Connell, Polanco, Snyder, Solis, and Umberg (Coauthor: Senator McCorquodale)			
74	ACR 114	Vasconcellos, Alpert, Hauser, Katz, and Takasugi (Coauthor: Senator Russell)			
75	ACR 138	Knight (Coauthor: Senator Rogers)			
76	AJR 66	Quackenbush			
77	AJR 72	Haynes			
78	AJR 88	Speier, Conroy, Ferguson, Gotch, Harvey, Hauser, Karnette, Katz, Martinez, McDonald, Moore, Polanco, Richter, Aguiar, Alby, Allen, Alpert, Andal, Archie-Hudson, Baca, Bates, Boland, Bornstein, Bowen, Bronshvag, Willie Brown, Brulte, Burton, Bustamante, Cannella, Connolly, Cortese, Costa, Ducheny, Epple, Escutia, Frazee, Barbara Friedman, Terry Friedman, Goldsmith, Hannigan, Haynes, Hoge, Honeycutt, Horcher, Johnson, Jones, Klehs, Knight, Lee, McPherson, Morrow, Mountjoy, Murray, Napolitano, O'Connell, Pringle, Rainey, Rogan, Seastrand, Snyder, Solis, Takasugi,			

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92	SJR 38	Alquist (Principal coauthor: Assembly Member Costa)	121	ACR 90	Burton
93	SJR 44	Rogers, Ayala, Bergeson, Beverly, Boatwright, Tom Campbell, Craven, Dills, Hill, Hurtt, Johannessen, Keller, Kopp, Leonard, Leslie, Lewis, Maddy, McCorquodale, Mello, Peace, Presley, Russell, Wright, and Wyman (Coauthors: Assembly Members Aguiar, Alby, Allen, Andal, Baca, Boland, Bowen, Bowler, Brulte, Cannella, Conroy, Cortese, Costa, Epple, Ferguson, Frazee, Goldsmith, Harvey, Hauser, Haynes, Hoge, Honeycutt, Horcher, Johnson, Jones, Katz, Knight, Knowles, McPherson, Morrow, Mountjoy, Murray, Pringle, Rainey, Richter, Rogan, Seastrand, Statham, Takasugi, Tucker, Weggeland, and Woodruff)	122	ACR 139	Willie Brown
94	SJR 48	Alquist (Coauthors: Assembly Members Areias, Alpert, Bronshvag, Caldera, Connolly, Conroy, Cortese, Costa, Epple, Ferguson, Gotch, Hauser, Harnes, Knight, Martinez, Morrow, Napolitano, Rogan, Seastrand, Snyder, and Vasconcellos) (Coauthors: Senators Ayala, Killea, Lewis, Lockyer, McCorquodale, Mello, Presley, Rogers, Russell, Torres, Watson, and Wyman)	123	ACR 153	Knowles
95	ACA 37	Bustamante, Alpert, Costa, Escutia, Martinez, Snyder, Solis, and Statham (Coauthors: Senators Presley, Torres, and Wyman)	124	AJR 21	Takasugi
96	ACR 79	Bronshvag	125	AJR 24	Areias
97	ACR 92	Areias (Coauthor: Senator McCorquodale)	126	AJR 38	Martinez, Bronshvag, Allen, Alpert, Andal, Archie-Hudson, Bornstein, Bowler, Bustamante, Caldera, Robert Campbell, Cortese, Escutia, Goldsmith, Honeycutt, Horcher, Karnette, Lee, McDonald, Murray, Napolitano, Richter, Sher, Snyder, Solis, Speier, Umberg, and Vasconcellos (Coauthors: Senators Hughes, Petris, Presley, Torres, and Watson)
98	ACR 94	Statham	127	SCR 30	Johannessen, Ayala, Calderon, Craven, Dills, Hill, Hurtt, Kelley, Kopp, Rogers, Watson, and Wyman (Coauthors: Assembly Members Aguiar, Andal, Baca, Boland, Connolly, Conroy, Cortese, Epple, Ferguson, Harvey, Hoge, Horcher, McPherson, Richter, Seastrand, Statham, Umberg, and Woodruff)
99	ACR 105	Valerie Brown	128	SCR 31	Johnston
100	ACR 110	Eastin, Alpert, Bowen, Cortese, Epple, Hauser, Karnette, Lee, Martinez, Moore, and Vasconcellos (Coauthors: Senators Alquist, Petris, and Watson)	129	SCR 33	Hughes, Bergeson, Calderon, Dills, Petris, Presley, Rosenthal, Thompson, Torres, and Wright (Coauthors: Assembly Members Aguiar, Alpert, Valerie Brown, Caldera, Robert Campbell, Cannella, Conroy, Cortese, Costa, Gotch, Harvey, Hauser, Haynes, Karnette, Katz, Lee, Martinez, McDonald, Moore, Nolan, O'Connell, Statham, Tucker, Umberg, Vasconcellos, Weggeland, and Woodruff)
101	ACR 117	Hauser	130	SCR 35	Hughes
102	ACR 118	Cannella	131	SCR 41	Roberti
103	ACR 133	Areias (Coauthor: Senator Mello)	132	SCR 45	Rogers
104	ACR 137	Bornstein	133	SCR 52	Presley, Hughes, and Watson
105	ACR 141	Hauser	134	SCR 58	Leslie (Coauthor: Assembly Member Knowles)
106	ACR 144	Knowles	135	SCR 60	Wyman (Coauthors: Senators Beverly, Johannessen, Kopp, Lewis, Maddy, Presley, Rogers, Watson, and Wright) (Coauthors: Assembly Members Andal, Brulte, Bustamante, Costa, Terry, Friedman, Harvey, Jones, Martinez, Morrow, Rainey, Richter, Snyder, Umberg, Weggeland, and Woodruff)
107	ACR 146	Bates (Principal coauthor: Assembly Member Lee) (Coauthors: Assembly Members Robert Campbell, Eastin, and Klehs) (Coauthors: Senators Boatwright and Petris)	136	SJR 32	Hart
108	ACR 148	O'Connell	137	SJR 33	Marks
109	AJR 90	Willie Brown (Principal coauthor: Assembly Member Burton) (Principal coauthor: Senator Marks)	138	SJR 39	Hughes
110	ACA 17	Knowles	139	SJR 46	Rosenthal (Coauthors: Senators Hughes, Presley, Torres, Watson, and Wright) (Coauthors: Assembly Members Conroy, Hauser, Richter, and Solis)
111	ACA 46	Willie Brown (Principal coauthor: Senator Alquist) (Coauthors: Senators Hart and Marks)	140	SJR 49	Bergeson
112	AJR 56	Knowles (Principal coauthor: Senator Leslie)	141	SJR 51	Peace
113	SCA 7	Dills	142	ACR 96	Vasconcellos (Coauthor: Assembly Member Archie-Hudson)
114	ACR 54	Hauser	143	ACR 145	Snyder (Coauthor: Senator McCorquodale)
115	ACR 62	Umberg and Andal (Principal coauthors: Assembly Members Costa and Takasugi)	144	ACR 154	Ferguson, Morrow, and Conroy
116	ACR 113	Vasconcellos, Alpert, Valerie Brown, Escutia, Barbara Friedman, Hannigan, Hauser, Katz, Polanco, and Takasugi (Coauthors: Senators Killea and Russell)	145	AJR 93	Baca
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118	ACR 151	Vasconcellos (Principal coauthor: Senator Alquist)			
119	AJR 55	Polanco			

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148	ACR 143	Sher and Moore (Coauthors: Assembly Members Willie Brown and Conroy)	150	SCR 39	Roberti
		(Coauthors: Senators Alquist, Ayala,			Johannessen (Coauthor: Assembly Member Statham)

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3	—	1	Ayala and Leonard (Principal Coauthor: Senator Kopp) (Principal coauthors: Assembly Members Valerie Brown, Brulte, Conroy, and Lee) (Coauthors: Senators McCorquodale and Rogers) (Coauthors: Assembly Members Aguiar, Baca, and Woodruff)	30	141	—	Andal
4	30	—	Epple (Principal coauthor: Assembly Member Frazee)	31	13	—	Solis, Areias, Gotch, Katz, Martinez, and Polanco (Coauthor: Senator Torres)
5	—	25	Lockyer	32	—	37	Roberti
6	—	12	Thompson, Dills, Hayden, Hughes, Marks, McCorquodale, and Watson (Principal coauthor: Senator Presley) (Coauthors: Senators Ayala, Calderon, and Lockyer) (Principal coauthors: Assembly Members Areias, Burton, and Umberg) (Coauthors: Assembly Members Alpert, Bornstein, Bronshvag, Valerie Brown, Conroy, Costa, Gotch, Hauser, Honeycutt, Katz, Martinez, Moore, O'Connell, Rainey, and Snyder)	33	—	36	Presley
7	81	—	Epple	34	160	—	Willie Brown
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10	—	40	Bergeson	37	—	31	Peace
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14	—	26	Bergeson (Principal coauthor: Senator Peace)	41	99	—	Rainey (Principal coauthor: Senator Presley) (Coauthor: Assembly Members Connolly, Iseberg, and Umberg)
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17	—	29	Peace	44	94	—	Bates
18	19	—	Valerie Brown, Alpert, Bronshvag, Cortese, Costa, Eastin, Ferguson, Karnette, Katz, Martinez, O'Connell, Quackenbush, Snyder, Solis, Speier, Statham, Umberg, and Woodruff (Coauthors: Senators Dills, Marks, Presley, Thompson, and Torres)	45	—	45	Beverly
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20	109	—	Martinez	47	27	—	Speier, Boland, Bowen, Valerie Brown, Cannella, Costa, Eastin, Epple, Goldsmith, Johnson, Karnette, Katz, Klehs, Martinez, Moore, O'Connell, Richter, Solis, Statham, Takasugi, and Umberg
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23	45	—	Andal (Principal coauthor: Assembly Member Rainey) (Coauthors: Assembly Members Conroy, Ferguson, Goldsmith, and Weggeland) (Coauthors: Senators Hurtt, Peace, and Wyman)	50	—	58	Greene (Coauthor: Senator Johnston)
24	67	—	Bowler	51	57	—	Archie-Hudson, Barbara Friedman, Terry Friedman, Lee, Martinez, McDonald, and Moore (Coauthors: Assembly Members Bronshvag, Eastin, Napolitano, Solis and Speier) (Coauthors: Senators Dills, Hayden, Hughes, Torres, and Watson)
25	87	—	Alpert (Coauthor: Senator Tom Campbell)	52	36	—	Katz and Bowen (Principal coauthors: Assembly Members O'Connell and Umberg) (Coauthors: Assembly Members Bronshvag, Eastin, Epple, Barbara Friedman, Terry Friedman, Horcher, Karnette, Margolin, Napolitano, Richter, Solis, and Speier) (Coauthors: Senators Calderon, Hayden, Hughes, McCorquodale, and Torres)
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				58	59	—	Alpert
				59	158	—	Brulte
				60	29	—	Rainey (Principal coauthor: Assembly Member Snyder) (Coauthors: Assembly Members Andal, Boland, Bowler, Valerie Brown, Brulte, Conroy, Ferguson, Goldsmith, Harvey, Haynes, Honeycutt, Johnson, Knight, Martinez, Morrow, Polanco, Pringle, Quackenbush, Richter, Seastrand, Statham, Weggeland, and Woodruff) (Coauthors: Senators Ayala, Hurtt, Kopp, Lewis, Presley, Russell, Thompson, and Wyman)

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STATUTES OF CALIFORNIA

1993-94

REGULAR SESSION

1994 CHAPTERS

CHAPTER 1

An act to amend Sections 43012, 44001.5, 44003, 44005, 44010, 44011, 44012, 44013, 44014, 44015, 44017, 44017.3, 44020, 44021, 44031.5, 44032, 44033, 44034, 44034.1, 44035, 44036, 44036.8, 44037, 44038, 44050, 44056, and 44060 of, to add Sections 39032.5, 44000.5, 44014.5, 44014.7, 44024, 44025, 44037.1, 44041, 44045.5, 44045.6, 44062.1, 44062.2, 44070.5, 44072.10, 44072.11, and 44081.5 to, to repeal Sections 44001, 44003.1, 44003.5, 44031, and 44083 of, and to repeal and add Sections 44000, 44081, and 44082, of, the Health and Safety Code, and to amend Sections 4000.3, 5204, and 27156 of, and to add Sections 9250.18 and 40517 to, the Vehicle Code, relating to air pollution.

[Approved by Governor January 27, 1994. Filed with
Secretary of State January 28, 1994.]

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

SECTION 1. Section 39032.5 is added to the Health and Safety Code, to read:

39032.5. "Gross polluter" means a vehicle with excess hydrocarbon, carbon monoxide, or oxides of nitrogen emissions as established by the department in consultation with the state board.

SEC. 2. Section 43012 of the Health and Safety Code is amended to read:

43012. (a) For the purpose of enforcing or administering any federal, state, or local law, order, regulation, or rule relating to vehicular sources of emissions, the executive officer of the state board or an authorized representative of the executive officer, or a representative of the department, upon presentation of credentials or, if necessary under the circumstances, after obtaining an inspection warrant pursuant to Title 13 (commencing with Section 1822.50) of Part 3 of the Code of Civil Procedure, has the right of entry to any premises owned, operated, used, leased, or rented by any new or used car dealer, as defined in Sections 285, 286, and 426 of the Vehicle Code, for the purpose of inspecting any vehicle for which emissions standards have been enacted or adopted or for which emissions equipment is required and which is situated on the premises for the purpose of emission-related maintenance, repair, or service, or for the purpose of sale, lease, or rental, whether or not the vehicle is owned by the dealer. The inspection may extend to all emission-related parts and operations of the vehicle, and may require the on-premises operation of an engine or vehicle, the on-premises securing of samples of emissions from the vehicle, and the inspection of any records which relate to vehicular emissions required by the Environmental Protection Agency or by any state or local law, order, regulation, or rule to be maintained by the dealer in connection with the dealer's business.

(b) The right of entry for inspection under this section is limited

to the hours during which the dealer is open to the public, except when the entry is made pursuant to warrant or whenever the executive officer or an authorized representative, or a representative of the department, has reasonable cause to believe that a violation of any federal, state, or local law, order, regulation, or rule has been committed in his or her presence. No vehicle shall be inspected pursuant to this section more than one time without an inspection warrant or without reasonable cause unless the vehicle undergoes a change of ownership or the inspection reveals that the vehicle has failed to comply with required emissions standards or equipment, in which case one additional inspection may be made to verify the violation or to verify that the violation has been corrected.

(c) With respect to vehicles not owned by the dealer, the state board or the department may not prosecute, without the owner's knowledge or consent, any violation by the owner of any law pertaining to vehicular emissions unless prior notice of the inspection has been given to the owner.

(d) If the executive officer or authorized representative, or a representative of the department, upon inspection, finds that a used motor vehicle fails to comply with applicable emissions standards or equipment, the state board shall issue a notice to correct. Until all violations in the notice have been corrected and the dealer has sent proof of correction by certified mail to the state board or the department, the motor vehicle shall prominently display the following disclosure affixed to the windshield in at least 18-point type:

NOT FOR SALE

THIS VEHICLE IS PRESENTLY NOT IN COMPLIANCE WITH THE CALIFORNIA VEHICLE POLLUTION CONTROL LAWS AND MAY NOT BE SOLD UNTIL A VALID CERTIFICATE OF COMPLIANCE HAS BEEN ISSUED.

Any dealer who sells a vehicle prohibited to be sold under this subdivision is subject to a civil penalty of not to exceed one thousand dollars (\$1,000). For purposes of this subdivision, "proof of correction" shall consist of a copy of a certificate of compliance or noncompliance issued following the issuance of a notice to correct by a licensed test station or licensed repair station not affiliated with or owned by the dealer or any other proof of repair satisfactory to the inspecting officer. The dealer shall send the copy of the certificate of compliance or noncompliance by certified mail to the state board or the department within three days of obtaining the certificate.

(e) Civil penalties may be assessed or recovered for one or more violations by a dealer involving the tampering with or disabling of a vehicle's air injection, exhaust gas recirculation, crankcase ventilation, fuel injection, or carburation systems, ignition timing or evaporative controls, fuel filler neck restrictor, oxygen sensor or

electronic controls, or missing catalytic converter.

(f) No civil penalty or criminal penalty may be assessed for a violation by a dealer identified in a notice to correct as a result of an inspection under this section if the violation is related to lack of maintenance or customer tampering or vandalism, including, but not limited to, a missing gasoline filler cap and a disconnected or missing heated air intake tube or vacuum hose. However, if notices to correct are issued under this subdivision to more than 20 percent of the vehicles offered for sale on a dealer's premises during each of three consecutive inspections conducted 30 or more days apart during any one-year period, civil penalties may be assessed and recovered for each vehicle issued a notice to correct.

(g) If the executive officer or authorized representative, upon inspection, finds that a certificate of compliance or noncompliance was issued to a motor vehicle that fails to comply with applicable emissions standards or equipment, the state board shall immediately refer these findings to the department for investigation under Chapter 5 (commencing with Section 44000). The state board may refer any other suspected violation to the department for appropriate action.

(h) Notwithstanding Section 17150 of the Vehicle Code, the state shall be liable for any injury or damage caused by the negligent or wrongful act or omission of the operator of any vehicle which is operated pursuant to this section.

(i) This section provides the exclusive authority for inspections of motor vehicles for the purposes specified in this section.

(j) As used in this section, the terms "tampering" and "disabling" mean an unauthorized modification, alteration, removal, or disconnection.

SEC. 3. Section 44000 of the Health and Safety Code is repealed.

SEC. 4. Section 44000 is added to the Health and Safety Code, to read:

44000. By the enactment of the amendments to this chapter made pursuant to the law that added this section, the Legislature hereby declares its intent to meet or exceed the air quality standards established by the amendments enacted to the federal Clean Air Act in 1990 (42 U.S.C. Sec. 7401 et seq., as amended by P.L. 101-549), to enhance and improve the existing vehicle inspection and maintenance network, to periodically monitor the performance of the network against stated objectives and to enact additional improvements and safeguards, if necessary, to meet the air quality standards of the Clean Air Act amendments of 1990.

SEC. 5. Section 44000.5 is added to the Health and Safety Code, to read:

44000.5. (a) The Legislature hereby finds and declares that California has been required by amendments enacted to the Clean Air Act in 1990 (42 U.S.C. Sec. 7401 et seq., as amended by P.L. 101-549), and by regulations adopted by the Environmental Protection Agency, to enhance California's existing vehicle

inspection and maintenance program to meet new, more stringent emission reduction targets. Therefore, the 1993 amendments to this chapter are being adopted to implement further improvements in the existing decentralized inspection and maintenance program so that California will meet or exceed the new emission reduction targets.

(b) The Legislature further finds and declares all of the following:

(1) California is recognized as a leader in establishing performance standards for its air quality programs and these standards have been adopted by many other states and countries.

(2) Studies show that a small number of vehicles produce the majority of the pollution caused by vehicle emissions. Those vehicles are referred to as gross polluters.

(3) The concept of periodic testing alone does not act as a sufficient deterrent to tampering, or as a sufficient incentive for vigilant vehicle maintenance by a significant percentage of motorists. Gross polluters continue to be driven on the roadways of California.

(4) New technology, known as remote sensing, offers great promise as a cost-effective means to detect vehicles emitting excess emissions as the vehicles are being driven. This type of detection offers many valuable applications, especially its use between scheduled tests, as an inexpensive, random, and pervasive means of identifying vehicles which are gross polluters and targeting those vehicles for repair or other methods of emission reduction.

(5) Independent analysis by the Rand Corporation has concluded that there is no conclusive evidence to demonstrate which test network—centralized, state operated or contracted test-only facilities; or decentralized, privately operated test and repair facilities—is more effective. Furthermore, their study concluded that the test architecture is not the central factor in determining whether an inspection and maintenance program succeeds in achieving sufficient pollution reduction from vehicles.

(6) California continues to seek strict adherence to federal and state performance standards and results-based evaluation that meet its unique circumstances and which consist of all of the following:

(A) Acceptance of the shared obligation and personal responsibility required to successfully inspect and maintain millions of motor vehicles. Specifically, that obligation begins with this chapter, and extends through those regulators charged with its implementation and enforcement. Through the enactment of the amendments to this chapter in 1993, the Legislature recognizes and seeks to encourage, through a number of innovative and significant steps, the critical role each California motorist must play in maintaining his or her vehicle's emission control systems in proper working order, in such a way as to continuously meet mandated emission control standards and ensure for California the clean air essential to the health of its citizens, its communities, and its economy.

(B) A focus on the detection, diagnosis, and repair of broken, tampered, or malfunctioning vehicle emission control systems.

(C) Flexibility to incorporate future new scientific findings and technological advances.

(D) Consideration of convenience and costs to those who are required to participate, including motorists, smog check stations, and technicians.

(E) An enforcement program which is vigorous and effective and includes monitoring of the performance of the smog check test or repair stations and technicians, as well as monitoring of vehicle emissions as vehicles are being driven.

SEC. 6. Section 44001 of the Health and Safety Code is repealed.

SEC. 7. Section 44001.5 of the Health and Safety Code is amended to read:

44001.5. (a) There is in the Department of Consumer Affairs a Bureau of Automotive Repair under the supervision and control of the director. A duty of enforcing and administering this chapter is vested in the chief of the bureau who is responsible to the director.

(b) The department shall take those actions consistent with its statutory authority to ensure that the reduction in vehicle emissions of hydrocarbons, carbon monoxide, and oxides of nitrogen meet or exceed the reductions required by the amendments enacted to the Clean Air Act of 1990 (P.L. 101-549). The department shall endeavor to achieve these vehicle emission reductions as expeditiously as practicable, but not later than the deadlines established by the amendments enacted in 1990 to the Clean Air Act.

(c) The department shall also ensure that gross polluters are identified and failed when tested pursuant to this chapter and that vehicles meeting the state standards are protected from being falsely failed.

SEC. 8. Section 44003 of the Health and Safety Code is amended to read:

44003. (a) (1) An enhanced vehicle inspection and maintenance program is established in each urbanized area of the state, any part of which is classified by the Environmental Protection Agency as a serious, severe, or extreme nonattainment area for ozone or a moderate or serious nonattainment area for carbon monoxide with a design value greater than 12.7 ppm, and in other areas of the state as provided in this chapter.

(2) A basic vehicle inspection and maintenance program shall be continued in all other areas of the state where a program was in existence under this chapter as of January 1, 1994.

(b) The department may prescribe different test procedures and equipment requirements for those areas described in subdivision (a). Program components shall be operated in all program areas unless otherwise indicated, as determined by the department. In those areas where the biennial program is not implemented and smog check inspections are required to complete the requirements set forth in Sections 4000.1 and 4000.2 of the Vehicle Code, program

elements that apply in basic areas, including test equipment requirements for smog check stations, shall apply.

(c) Districts classified as attainment areas may request the department to implement all or part of the program elements defined in this chapter and areas classified as basic program nonattainment areas pursuant to subdivision (a) may request implementation of test procedures and equipment required for enhanced program areas and any other program requirement specified for enhanced program areas.

SEC. 9. Section 44003.1 of the Health and Safety Code is repealed.

SEC. 10. Section 44003.5 of the Health and Safety Code is repealed.

SEC. 11. Section 44005 of the Health and Safety Code is amended to read:

44005. (a) The Department of Motor Vehicles shall cooperate with the department in implementing any changes to enhance the program to achieve greater efficiency, cost-effectiveness, and convenience, or to reduce excess emissions in accordance with this chapter.

(b) The program shall provide for inspection of motor vehicles upon initial registration, biennially upon renewal of registration, upon transfer of ownership, and upon the citation of gross polluting vehicles pursuant to Section 44081, and as otherwise provided in this chapter.

SEC. 12. Section 44010 of the Health and Safety Code is amended to read:

44010. The motor vehicle inspection program shall provide for privately operated stations which shall be referred to as smog check stations and, except in the case of repair-only stations, are authorized to issue certificates of compliance or noncompliance to vehicles which meet the requirements of this chapter.

SEC. 13. Section 44011 of the Health and Safety Code is amended to read:

44011. All motor vehicles powered by internal combustion engines which are registered within an area designated for program coverage shall be required biennially to obtain a certificate of compliance or noncompliance, except for all of the following:

(a) Every motorcycle, and every diesel-powered vehicle, until the department, pursuant to Section 44012, implements test procedures applicable to motorcycles or to diesel-powered vehicles, or both.

(b) Any motor vehicle which has been issued a certificate of compliance or noncompliance or a waiver upon a change of ownership or initial registration in this state during the preceding six months, or which has been issued a certificate of exemption pursuant to Section 4000.6 of the Vehicle Code.

(c) Any motor vehicle manufactured prior to the 1966 model-year.

(d) Any other motor vehicle which the department determines would present prohibitive inspection or repair problems.

(e) Any vehicle registered to the owner of a fleet licensed pursuant to Section 44020 if the vehicle is garaged exclusively outside the area included in program coverage.

SEC. 14. Section 44012 of the Health and Safety Code is amended to read:

44012. The test at the smog check stations shall be performed in accordance with procedures prescribed by the department, pursuant to Section 44013, shall require, at a minimum, loaded mode testing in enhanced areas, and two-speed testing in all other program areas, and shall ensure all of the following:

(a) Emission control systems required by state and federal law are reducing excess emissions in accordance with the standards adopted pursuant to subdivisions (a) and (c) of Section 44013.

(b) Motor vehicles are preconditioned to ensure representative and stabilized operation of the vehicle's emission control system.

(c) For other than diesel-powered vehicles, the vehicle's exhaust emissions of hydrocarbons, carbon monoxide, carbon dioxide, and oxides of nitrogen in an idle mode or loaded mode are tested in accordance with procedures prescribed by the department. The loaded mode (dynamometer) test procedures set by the department for the enhanced program shall provide for either transient or steady-state testing of exhaust emissions, or both. In determining how loaded mode and evaporative emissions testing shall be conducted, the department shall ensure that the emission reduction targets for the enhanced program in Section 44001.5 are met.

(d) For other than diesel-powered vehicles, the functioning of the vehicle's fuel evaporative system and crankcase ventilation system is tested to reduce any nonexhaust sources of volatile organic compound emissions, in accordance with procedures prescribed by the department.

(e) For diesel-powered vehicles, if the department determines that the inclusion of those vehicles is technologically and economically feasible, a visual inspection is made of emission control devices and the vehicle's exhaust emissions in an idle mode or loaded mode are tested in accordance with procedures prescribed by the department. The test may include testing of emissions of any or all of the pollutants specified in subdivision (c) and, upon the adoption of applicable standards, measurement of emissions of smoke or particulates, or both.

(f) A visual or functional check is made of emission control devices specified by the department, including the catalytic converter in those instances in which the department determines it to be necessary to meet the findings of Section 44000.5. The visual or functional check shall be performed in accordance with procedures prescribed by the department.

(g) A determination as to whether the motor vehicle complies with the emission standards for that vehicle's class and model-year as prescribed by the department.

SEC. 15. Section 44013 of the Health and Safety Code is amended

to read:

44013. (a) (1) The department, in cooperation with the state board, shall prescribe maximum emission standards to be applied in inspecting motor vehicles under this chapter.

(2) In prescribing the standards, the department shall undertake studies and experiments which are necessary and feasible, evaluate available data, and confer with automotive engineers.

(3) The standards shall be set at a level reasonably achievable for each class and model of motor vehicle when operating in a reasonably sound mechanical condition, allowing for the effects of installed motor vehicle pollution control devices and the motor vehicle's age and total mileage.

(4) The standards shall be designed so that motor vehicles failing the test specified in Section 44012 will be operated, as soon as possible, with a substantial reduction in emissions, and shall be revised from time to time as experience justifies.

(b) The department, in cooperation with the state board, shall research and prescribe test procedures to be applied in inspecting motor vehicles under this chapter, which procedures shall be simple, cost-effective, and consistent with the requirements of Section 44012 and the findings in Section 44000.5. The department may revise the test procedures from time to time as experience justifies. To the extent that any test procedure revision requires new equipment, or a change in equipment, at licensed smog check stations, the department shall provide a reasonable period of time for the acquisition and installation of that new or changed equipment.

(c) Notwithstanding any other provision of this chapter, the maximum emission standards and test procedures prescribed in subdivisions (a) and (b) for a motor vehicle class and model-year shall not be more stringent than the emission standards and test procedures under which that motor vehicle's class and model-year was certified. Emission standards and test procedures prescribed by the department shall ensure that not more than 5 percent of the vehicles or engines, which would otherwise meet the requirements of this part, will fail the inspection and maintenance test for that class of vehicle or engine.

SEC. 16. Section 44014 of the Health and Safety Code is amended to read:

44014. (a) Except as provided in Section 44014.5, the testing and repair portion of the program shall be conducted by smog check stations licensed by the department, and by smog check technicians who have qualified pursuant to this chapter.

(b) A smog check station may be licensed by the department as a smog check test-only station and, when so licensed, need not comply with the requirement for onsite availability of current service and adjustment procedures specified in paragraph (3) of subdivision (b) of Section 44030. A smog check technician employed by a smog check test-only station shall be qualified in accordance with this section.

(c) A smog check station may also be licensed as a repair-only station, and if so licensed, may perform repairs to reduce excessive emissions on vehicles which have failed the smog check test. Repair procedures and equipment requirements shall be established by the department. Technicians employed by a smog check repair-only station shall be qualified in accordance with this section.

(d) Smog check technicians are qualified to test and repair only those classes and categories of vehicles for which they have passed a qualification test administered by the department. The department shall provide for smog check technicians to be qualified for different categories of motor vehicle inspection based on vehicle classification and model-year.

(e) The consumer protection-oriented quality assurance portion of the program, shall be conducted by more than one private entity pursuant to contracts with the department.

SEC. 17. Section 44014.5 is added to the Health and Safety Code, to read:

44014.5. (a) The department shall establish a sufficient number of referee facilities to provide convenient testing for those vehicles required to report to the referee station pursuant to Sections 44081 and 44081.5 and those vehicles required to receive a certificate of compliance from a referee station by this chapter, including all of the following:

(1) All vehicles cited and confirmed as gross polluters pursuant to Sections 44081 and 44081.5 and Section 27156 of the Vehicle Code.

(2) All vehicles identified as gross polluters or as tampered by a smog check station prior to repairs.

(3) All vehicles seeking to utilize state-operated financial assistance or inclusion in authorized scrap programs.

(4) All vehicles unable to obtain a certificate of compliance from a licensed smog check station pursuant to subdivision (c) of Section 44015.

(5) All vehicles designated by the department pursuant to Sections 44014.7 and 44020.

(6) Any other vehicles that may be designated by the department.

(b) Referee facilities shall be test-only stations, which shall be operated by one or more private persons under contract to the department, unless the department determines, after soliciting bids at least once, that contracting for those services is not feasible or cost-effective, in which case the stations shall be operated by the department on an interim basis while a contractor is being sought.

(c) The repair of vehicles at referee facilities is prohibited, except that the minor repair of components damaged by facility personnel during inspection, any minor repair which is necessary for the safe operation of a vehicle while at the station, or other minor repairs, such as the reconnection of hoses, vacuum lines, or other measures, that require not more than five minutes to complete. Those minor repairs may be undertaken at no charge to the vehicle owner or operator if authorized in advance in writing by the department.

(d) The department shall establish standards for training, equipment, performance and data collection for referee facilities. The test at the referee facility shall be the same as, or shall correlate with, the test procedures prescribed for the smog check stations pursuant to Section 44012.

(e) Data generated at referee facilities is the property of the state, and shall be fully accessible to the department at any time. The department may set contract specifications for the storage of data in a central data storage system or facility designated by the department.

(f) The department may permit its referee contractor to perform tests pursuant to this chapter in those areas where there is not a sufficient number of privately operated test-only or test and repair stations and only for the purpose of providing motorists with a convenient means of complying with the inspection requirements of this chapter. This authority shall be exercised by the state on a temporary basis and only when necessary. The state shall solicit program participation from privately operated stations in these areas and the referee shall cease operation when those stations are properly licensed and equipped to perform smog check inspections. The referee stations operated pursuant to this authority may be operated using mobile testing equipment. In no event shall the referee stations established pursuant to this section compete with privately operated smog check test-only or test and repair stations.

(g) The referee contractor may charge a fee, established by the department, sufficient to recover the department's cost of the referee to perform the tests required by this section. In addition, the referee shall charge and collect the certificate fee established pursuant to Section 44060.

(h) Gross polluters shall be referred to a referee test-only facility for a post-repair inspection and retest pursuant to subdivision (a). Simply passing the emissions test is not a sufficient condition for receiving a certificate of compliance. A certificate of compliance shall only be issued to a vehicle which does not have any defects with its emission control systems or any defects which could lead to damage of its emission control system.

SEC. 18. Section 44014.7 is added to the Health and Safety Code, to read:

44014.7. In addition to other vehicles required by this chapter to receive their certificate of compliance from a referee facility, the department shall require that not to exceed 2 percent of the vehicles required to obtain a certificate of compliance each year receive their certificate from a referee facility. The review committee shall determine the selection process and shall ensure that it is a statistically significant representation of the vehicles subject to the program. The Department of Motor Vehicles, in consultation with the department, shall select the vehicles and notify the owners of their obligation under this section pursuant to Section 4000.3 of the Vehicle Code. Selection shall be made from vehicles in an area where

a referee facility is located.

SEC. 19. Section 44015 of the Health and Safety Code is amended to read:

44015. (a) A licensed smog check station authorized to issue certificates shall not issue a certificate of compliance, but may perform repairs, to any vehicle which meets the following criteria:

(1) A vehicle that has been tampered.

(2) A vehicle that prior to repairs has been identified by the smog check station as a gross polluter.

(3) A vehicle that has been identified through roadside auditing as a gross polluter pursuant to Sections 44081 and 44081.5.

(4) A vehicle described in subdivision (c).

(5) A vehicle described pursuant to subdivision (a) of Section 44014.5.

(b) If a vehicle meets the requirements of Section 44012, a smog check station licensed to issue certificates shall issue a certificate of compliance or a certificate of noncompliance. The certificate shall be signed by a licensed inspector.

(c) A certificate of compliance shall be issued by a referee facility for a vehicle which has been properly tested but does not meet the applicable emission standards when it is determined that no adjustment or repair can be made that will reduce emissions from the inspected motor vehicle without exceeding the applicable cost limit established under Section 44017 and that every defect specified by paragraph (2) of subdivision (a) of Section 43204, and by paragraphs (2) and (3) of subdivision (a) and paragraph (2) of subdivision (b) of Section 43205, has been corrected. A certificate issued pursuant to this subdivision shall be deemed a repair cost waiver. No repair cost waiver shall be issued under any of the following circumstances:

(1) If a vehicle was issued a repair cost waiver in the previous biennial inspection of that vehicle.

(2) If a vehicle is designated as a gross polluter pursuant to Section 44015.

(3) Upon initial registration of a vehicle previously registered out of this state, or upon registration of a dismantled vehicle pursuant to Section 11519 of the Vehicle Code.

(d) A certificate of compliance or noncompliance shall be valid for 90 days.

(e) A test may be made at any time within three months prior to the date otherwise required.

SEC. 20. Section 44017 of the Health and Safety Code is amended to read:

44017. (a) Except as otherwise provided in this section, the cost limit for repairs under the program, including parts and labor, shall be a minimum of four hundred fifty dollars (\$450) in all areas where the program operates.

(b) The limit established pursuant to subdivision (a) shall not become operative until January 1, 1996, or until the repair subsidy

program mandated pursuant to Section 44062.1 is implemented, whichever occurs first. Prior to that time, the following cost limits shall remain in effect:

(1) For motor vehicles of 1971 and earlier model-years, fifty dollars (\$50).

(2) For motor vehicles of 1972 to 1974, inclusive, model-years, ninety dollars (\$90).

(3) For motor vehicles of 1975 to 1979, inclusive, model-years, one hundred twenty-five dollars (\$125).

(4) For motor vehicles of 1980 to 1989, inclusive, model-years, one hundred seventy-five dollars (\$175).

(5) For motor vehicles of 1990 and later model-years, three hundred dollars (\$300).

(c) The department shall periodically revise the cost limits specified in subdivision (a) in accordance with changes in the Consumer Price Index, as published by the United States Bureau of Labor Statistics.

(d) No cost limit shall be imposed in those cases where emissions control equipment is missing or is partially or totally inoperative as a result of tampering or when the vehicle has been cited as a gross polluter pursuant to Section 44081 and verified as a gross polluter at a referee station. The cost limits prescribed pursuant to subdivision (b), when implemented, shall not be imposed on vehicles identified as gross polluters prior to repairs at a smog check station. However, if there is no evidence of tampering and the vehicle owner has had repairs performed as necessary to bring the vehicle's emissions below the appropriate threshold established for gross polluters, then the waiver provisions shall apply.

SEC. 21. Section 44017.3 of the Health and Safety Code is amended to read:

44017.3. (a) Each smog check station shall have posted conspicuously in an area frequented by customers a sign advising of the minimum or maximum amounts established by law to be spent on repairs required to cause a motor vehicle to pass a smog check. The signs shall be required in all stations where smog check inspections are performed. In stations where licensed smog check technician repairs are not performed, the station shall have posted conspicuously in an area frequented by customers a statement that repair technicians are not available and repairs are not performed.

(b) The specific amounts enumerated in the sign shall be in compliance with Section 44017. The adjustments in the repair cost limits authorized in subdivision (b) of that section shall also be reflected in the sign.

(c) The sign shall include language, as determined by the department, to warn consumers of the penalties for obtaining a certificate by means of fraud.

SEC. 22. Section 44020 of the Health and Safety Code is amended to read:

44020. Notwithstanding any other provision of this chapter, the

department may license any registered owner of a fleet of 10 or more motor vehicles subject to this chapter, who so elects, to implement and conduct the tests and to perform necessary service and adjustment on the fleet's vehicles under this chapter, subject to all of the following conditions:

(a) The registered owner's facilities or personnel, or both, or a designated contractor of the registered owner, shall be licensed by the department as a fleet smog check station, and the test and repair system shall conform, in the department's determination, with all provisions of this chapter and all rules and regulations adopted by the department. The regulations shall provide for adequate onsite inspection by the department. Mobile testing equipment certified by the department may be used in accordance with procedures established by the department. The department may prohibit the use of mobile testing equipment if violations occur.

(b) A license issued under this section is subject to Sections 44035, 44050, and 44072.10, and may be suspended or revoked by the department whenever the department determines, on the basis of random periodic spot checks of the owner's inspection system and fleet vehicles, that the system fails to conform or that certificates of compliance have been issued by the owner in violation of regulations adopted by the department. Any person licensed to conduct tests and service and adjustments under this section is deemed to have consented to provide the department with whatever access, information, and other cooperation the department reasonably determines are necessary to facilitate the random periodic spot checks.

(c) The department or its contractor, on a random periodic basis, shall inspect or observe the inspections performed by licensed fleet smog check stations on not less than 2 percent of the total business fleet vehicles subject to this chapter.

(d) A fleet owner licensed to conduct tests or make repairs pursuant to this chapter shall issue certificates of compliance for motor vehicles. The cost limitations in Section 44017 shall not apply to any motor vehicle owned by a fleet owner licensed pursuant to this section.

(e) Notwithstanding subdivision (d), certificates of compliance or noncompliance prepared solely for the disposal or sale of motor vehicles owned by a fleet owner licensed pursuant to this section shall be subject to the cost limitations in Section 44017.

(f) The department shall establish initial and renewal license fees, which shall not exceed the reasonable costs of administering this section.

(g) Notwithstanding any other provision of this section, fleets consisting of vehicles for hire or vehicles which accumulate high mileage, as defined by the department, shall go to a referee station when a smog check certificate of compliance is required. Initially, high mileage vehicles shall be defined as vehicles which accumulate 50,000 miles or more each year. In addition, fleets which do not

operate high mileage vehicles may be required to obtain certificates of compliance from the referee if they fail to comply with this chapter.

SEC. 23. Section 44021 of the Health and Safety Code is amended to read:

44021. (a) (1) A review committee is hereby created to analyze the effect of the improved inspection and maintenance program established by the 1993 amendments to this chapter on motor vehicle emissions and air quality.

(2) The members of the review committee shall receive no compensation, but shall be reimbursed by the department for their reasonable expenses in performing committee duties. The state board and the department shall provide the review committee with any necessary technical and clerical support in its evaluation and study.

(3) (A) The review committee shall consist of thirteen members, nine to be appointed by the Governor, two by the Senate Rules Committee, and two by the Speaker of the Assembly. All members shall be appointed to four-year terms, and the Governor shall appoint from among his or her appointees the chairperson of the review committee.

(B) The appointees of the Governor shall include an air pollution control officer from an enhanced program nonattainment area, three public members, an expert in air quality, an economist, a social scientist, a representative of the inspection and maintenance industry, and a representative of stationary source emissions organizations.

(C) The appointees of the Senate Committee on Rules shall include an environmental member with expertise in air quality, and a representative from the inspection and maintenance industry.

(D) The appointees of the Speaker of the Assembly shall include an environmental member with expertise in air quality, and a representative of a local law enforcement agency charged with prosecuting violations of this chapter in an enhanced program nonattainment area.

(E) If the review committee is not fully constituted pursuant to subparagraphs (A) to (D), inclusive, by April 30, 1994, any remaining appointments may be made by the Environmental Protection Agency.

(4) In preparing its evaluations of program effectiveness, the review committee shall consult with the Department of the California Highway Patrol, the Department of Motor Vehicles, and any other appropriate agencies, as well as the department and the state board. Any reports, other than those required by this section, that the review committee is required to provide pursuant to this chapter shall also be transmitted to the Secretary for Environmental Protection and the Secretary for State and Consumer Services.

(5) The review committee shall schedule and conduct periodic meetings in the performance of its duties, and shall meet and consult

with local, state, and federal officials involved in the evaluation of motor vehicle inspection and maintenance programs.

(b) The review committee shall submit periodic written reports to the Legislature on the program at least every 12 months. The review committee's reports shall quantify the reduction in emissions and improvement in air quality attributed to the program.

(c) The review committee shall report to the Legislature and the Governor on the performance of the program and make recommendations on program improvements. In its evaluation of performance, the review committee shall make a determination regarding program effectiveness, and shall make recommendations to the department with regard to taking steps towards improvements as established pursuant to, or in addition to, those set forth in Section 44082. The review committee shall contract with independent entities to do the evaluation required by this subdivision.

(d) The review committee shall evaluate whether the motor vehicle inspection and maintenance program authorized by this chapter, combined with the benefits of statewide implementation of the gross polluter program authorized in Section 44081, will be sufficient to meet the emission reduction requirements specified by the Clean Air Act (42 U.S.C. Sec. 7401 et seq.) and by the implementing regulations of the Environmental Protection Agency.

(e) The review committee shall work closely with all interested parties in preparing the information required by subdivisions (g) and (h). The committee shall hold at least one public hearing on its findings and recommendations prior to submitting its reports. The reports shall include statutory language to implement its recommendations, and shall recommend the timeframe for making any changes to the program, including an assessment of whether pilot demonstrations or implementation in selected areas of the state is appropriate. The review committee shall seek comments from the department, the Department of Motor Vehicles, the Department of the California Highway Patrol, and the state board prior to submitting its report, and those comments shall be published as an appendix to the report.

SEC. 24. Section 44024 is added to the Health and Safety Code, to read:

44024. (a) The department, in cooperation with the state board, shall investigate new technologies, including the role of onboard diagnostic (OBD) systems in vehicles, as a means both for detecting excess emissions and defective emission control equipment, and for assisting in determining what repairs would be effective. The department shall report on the results of its investigation in its annual report to the Legislature.

(b) To incorporate new technologies into the program, the department may institute the following changes if the department determines that the changes will be cost-effective and convenient to vehicle owners:

- (1) The schedule for testing and certifying vehicles.
- (2) The location and method for complying with the test requirements otherwise applicable under this chapter.
- (3) The equipment requirements and repair procedures, including the imposition of new or revised diagnostic procedures, to be used at licensed smog check stations.
- (4) The training, skill, and licensing requirements for smog check technicians.
- (5) The applicable test procedures and emission standards, as applied at smog check stations, and during roadside inspection.

SEC. 25. Section 44025 is added to the Health and Safety Code, to read:

44025. The department shall act as a clearinghouse to provide access to the vendors who possess service information generated by the vehicle manufacturers.

SEC. 26. Section 44031 of the Health and Safety Code is repealed.

SEC. 27. Section 44031.5 of the Health and Safety Code is amended to read:

44031.5. (a) No smog check technician may perform tests or make repairs required by this chapter, for compensation, unless qualified by the department for the class and category of vehicle being tested or repaired. To qualify, smog check technicians shall pass a qualification test administered by the department, in addition to meeting prerequisite minimum experience and training criteria established by the department, pursuant to Section 44045.5. Passage of the qualification test shall also be required upon each biennial renewal of the smog check technician's license.

(b) The department shall prescribe training and periodic retraining courses for licensed smog check technicians pursuant to Section 44045.6.

(c) Whenever the department determines, through investigation, that a previously qualified smog check technician may lack the skills to reliably and accurately perform the test or repair functions within the required qualification, the department may prescribe for the technician one or more retraining courses which have been certified by the department. The smog check technician may request and be granted a hearing, pursuant to Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code, on the department's determination. The request for a hearing shall be submitted within 30 days of the department's notification of its determination. A failure to complete the prescribed retraining course within the time designated by the department, or to request a hearing within 30 days of the department's notification of its determination, shall result in loss of qualification. Upon a later completion of the prescribed department certified retraining course, the department may reinstate the smog check technician's qualification.

(d) Smog check technicians shall have the option to do hands-on work in lieu of written work in order to successfully complete the

department certified training and retraining courses.

(e) The institution administering the department certified training or retraining courses shall issue a certificate of completion to each person who successfully completes the certified courses. The certificate shall be valid for two years.

(f) The department may contract to ensure the availability of retraining courses required by this chapter if those courses are not otherwise available. Charges for retraining courses offered by a contractor shall be borne by the course attendees.

SEC. 28. Section 44032 of the Health and Safety Code is amended to read:

44032. No person shall perform, for compensation, tests or repairs of emission control devices or systems of motor vehicles required by this chapter unless the person performing the test or repair is a qualified smog check technician and the test or repair is performed at a licensed smog check station. Qualified technicians shall perform tests of emission control devices and systems in accordance with Section 44012.

SEC. 29. Section 44033 of the Health and Safety Code is amended to read:

44033. (a) Any facility meeting the requirements established by the department pursuant to this chapter may be licensed as a smog check station. A licensed smog check station shall display an identifying sign prescribed by the department in a manner conspicuous to the public.

(b) No licensed smog check station shall require, as a condition of performing the test, that any needed repairs or adjustment be done by the person, or at the facility of the person, performing the test.

(c) If a motor vehicle, including a commercial vehicle, is tested at a facility licensed to perform tests and repairs pursuant to this chapter, the facility shall provide the customer with a written estimate pursuant to Section 9884.9 of the Business and Professions Code. The written estimate shall contain a notice to the customer stating that the customer may choose another smog check station to perform needed repairs, installations, adjustments, or subsequent tests.

(d) Charges for testing or repair, or both, shall be separately stated.

(e) The department shall require the posting of station licenses and qualified technicians' certificates prominently in each place of business so as to be readily visible to the public.

SEC. 30. Section 44034 of the Health and Safety Code is amended to read:

44034. Annual license fees for smog check stations and biennial license fees for smog check technicians may be imposed by the department, but shall not exceed the reasonable cost of administering the qualifications and licensing program.

SEC. 31. Section 44034.1 of the Health and Safety Code is amended to read:

44034.1. The department may impose an examination fee, which shall not exceed the reasonable cost of administering, developing, and updating the examination, for smog check technician initial and biennial renewal applicants. Payment of the fee entitles the applicant to be scheduled for an examination.

SEC. 32. Section 44035 of the Health and Safety Code is amended to read:

44035. A smog check station's license or a qualified smog check technician's qualification may be suspended or revoked by the department, after a hearing, for failure to meet or maintain the standards prescribed for qualification, equipment, performance, or conduct. The department shall adopt rules and regulations governing the suspension, revocation, and reinstatement of licenses and qualifications and the conduct of the hearings.

SEC. 33. Section 44036 of the Health and Safety Code is amended to read:

44036. (a) The consumer protection-oriented quality assurance portion of the motor vehicle inspection program shall ensure uniform and consistent tests and repairs by all qualified smog check technicians and licensed smog check stations throughout the state, and shall include a number of referee stations available to consumers.

(b) All licensed smog check stations shall utilize original equipment and replacement parts that are certified by the department. The department shall charge a fee for certification testing of the equipment or the replacement parts. The fee for certification testing of equipment shall be fixed by the department based upon its actual costs of certification testing, shall be calculated from the time that the equipment is submitted for certification testing until the time that the certification testing is complete, and shall in no event exceed ten thousand dollars (\$10,000). The fee for certification testing of replacement parts shall be fixed by the department based upon its actual costs of certification testing, shall be calculated from the time that the replacement part is submitted for certification testing until the time that the certification testing is complete, and shall in no event exceed two thousand five hundred dollars (\$2,500). The department shall adopt, and may from time to time revise, standards for certification and decertification of the equipment, which may include a device for testing of emissions of oxides of nitrogen. As expeditiously as possible, the department shall adopt equipment standards which shall include a test analyzer system containing all of the following:

(1) A microprocessor to control test sequencing, selection of proper test standards, the automatic pass or fail decision, and the format for the test report and the recorded data file. The microprocessor shall be capable of using a standardized programming language specified by the department.

(2) An exhaust gas analysis portion with an analyzer for hydrocarbons, carbon monoxide, and carbon dioxide which is designed to accommodate an optional oxides of nitrogen analyzer.

An oxides of nitrogen analyzer shall be required in the enhanced program areas.

(3) Equipment necessary to perform visual and functional tests of emission control devices required by the department.

(4) A device to accept and record motor vehicle identification information, including a device capable of reading bar code information pursuant to regulations of the state board. The device shall have the ability to identify, with the cooperation of the Department of Motor Vehicles, smog inspections performed on vehicles sold by used car dealers.

(5) A device to provide a printed record of the test process and diagnostic information for the motorist.

(6) A mass storage device capable of storing not less than the minimum amount of program software and data specified by the department.

(7) A device to provide for the periodic modification of all program and data files contained on the mass storage device, using a standardized form of removable media conforming to specifications of the department.

(8) A device which provides for the storage of test records on a standardized form of removable media conforming to specifications of the department.

(9) One or more communications ports conforming to the specifications established by the department as necessary to provide real time communication, or communication which is consistent with maintaining a superior quality assurance program and efficient information transfer, between the test equipment and the centralized computer data base through the computer network maintained by the department pursuant to Section 44037.1.

(10) An interface capable of monitoring equipment used with loaded mode testing, idle testing, OBD, or other tests prescribed by the department.

(11) Any other features that the department determines are necessary to increase the effectiveness of the program, including, but not limited to, a loaded mode dynamometer for purposes of oxides of nitrogen detection, and other equipment necessary to detect nonexhaust-related volatile organic compound emissions such as found in fuel system evaporative emissions and crankcase ventilation emissions.

(c) The department shall require all smog check stations to use equipment meeting the requirements of subdivision (b) as soon as possible, but not later than January 1, 1996. However, the department may defer the requirement for any equipment, external to the chassis of the test analyzer system, needed to read bar code information until a substantial portion of the vehicles subject to this chapter are equipped with bar code labels. Prior to the imposition of a requirement for equipment meeting the requirements of subdivision (b), every smog check station shall use equipment meeting the specifications of the department in effect on January 1,

1988.

(d) The quality assurance portion shall provide for inspections of licensed smog check stations, data collection and forwarding, equipment accuracy checks, operation of referee stations, and other necessary functions. In contracting for services pursuant to subdivision (e) of Section 44014, the department shall prepare detailed specifications and solicit bids from private entities for the implementation of the quality assurance functions.

(e) The department may revise the specifications for equipment annually if the cost thereof is less than 20 percent of the total system cost. A more comprehensive revision to the specifications may be required not more often than every five years.

(f) (1) Equipment manufacturers shall furnish to the department, and shall install, software updates as specified by the department. The department shall allow equipment manufacturers six months, from the date the department issues its proposed specifications for periodic software updates, to obtain department approval that the updates meet the proposed specifications and to install the updates in all equipment subject to the updates. During the first 30 days of the six-month period, the manufacturers shall be permitted to review and to comment upon the proposed specifications. However, notwithstanding any other provision of this section, the department may order manufacturers to install software changes in a shorter period of time upon a finding by the department that a previously installed update does not meet current specifications. A manufacturer's failure to furnish or install software updates as so specified is cause for the department to decertify the manufacturer's test analyzer system or to issue a citation to the manufacturer. The citation shall specify the nature of the violation and may specify a civil penalty not to exceed one thousand dollars (\$1,000) for each day the manufacturer fails to furnish or install the specified software updates by the specified period. In assessing a civil penalty pursuant to this subdivision, the department shall give due consideration, in determining the appropriateness of the amount of the civil penalty, to factors such as the gravity of the violation, the good faith of the manufacturer, and the history of previous violations.

(2) The citations shall be served pursuant to subdivision (c) of Section 11505 of the Government Code. The manufacturer may request a hearing in accordance with Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code. A request for a hearing shall be submitted in writing within 30 days of service of the citation, and shall be delivered to the office of the department in Sacramento. Hearings and related procedures under this subdivision shall be conducted in the same manner as proceedings for adjudication of an accusation under that Chapter 5, except as otherwise specified in this article.

(3) If within 30 days from service of the citation, the manufacturer fails to request a hearing, the citation shall be deemed the final order of the department.

(4) Any failure to comply with the final order of the department for payment of a civil penalty, or to pay the amount specified in any settlement executed by the licensee and the Director of Consumer Affairs, is cause for decertification of the manufacturer's test analyzer system.

SEC. 34. Section 44036.8 of the Health and Safety Code is amended to read:

44036.8. The data collected by the equipment used by a smog check station, as required by regulations of the Bureau of Automotive Repair, may be used by a licensed smog check station technician or operator when appealing a citation issued by the Bureau of Automotive Repair.

SEC. 35. Section 44037 of the Health and Safety Code is amended to read:

44037. (a) The department shall compile and maintain records, using the sampling methodology necessary to ensure their scientific validity and reliability, of tests and repairs performed by qualified smog check technician at licensed smog check stations pursuant to this chapter on all of the following information:

(1) The motor vehicle identification information and the test data collected at the station.

(2) The number of maintenance and repair operations performed on motor vehicles which fail to pass a test conducted pursuant to this chapter.

(3) The correlation between maintenance and repairs recommended by the department pursuant to Section 44016 and maintenance and repairs performed.

(4) The charges assessed for the service and repairs and the correlation between the amount charged for repairs and the amount of emission reduction.

(5) Data received and compiled through the use of the centralized computer data base and computer network to be established pursuant to Section 44037.1, and any other information determined to be essential by the department for program enhancement to achieve greater efficiency, cost-effectiveness, convenience, or emissions reductions.

(6) The frequency of specific smog check stations which issue a passing certificate for vehicles which have failed a previous inspection at other smog check stations within the preceding 30 days.

(b) A written summary of the information specified in subdivision (a) shall be available annually for the technicians and smog check stations in each district and to the public upon request.

SEC. 36. Section 44037.1 is added to the Health and Safety Code, to read:

44037.1. (a) On or before January 1, 1995, the department shall design and establish the equipment necessary to operate a centralized computer data base and computer network which is readily accessible by all licensed smog check technicians on a real-time basis.

(b) The centralized computer data base and network shall be designed with all of the following capabilities:

(1) To provide smog check technicians with immediate access to vehicle-specific information regarding the location of all emission control equipment, pattern failure data, and other vehicle-specific technical information relevant to the efficient identification, diagnosis, and repair of emission problems.

(2) To provide smog check technicians and the department with information as to the date and result of prior smog check tests performed on each vehicle in order to discourage vehicle owners from shopping for certificates of compliance and to permit the department to identify smog check stations for further investigation as potential violators of this chapter.

(3) To provide the department with data on the failure rates and repair effectiveness for vehicles of each make and model-year on a statewide basis, and by smog check station and technician, to facilitate identification of smog check stations and technicians as potential violators of this chapter.

(4) Upon a determination that a smog check station or technician has engaged in a pattern of violating this chapter, or that a vehicle failed one or more emissions tests before obtaining a certificate of compliance, to provide the information necessary to identify and contact vehicle owners who obtained certificates from the station or technician, or may have obtained certificates of compliance in violation of this chapter, for purposes of requiring retesting of their vehicles.

(5) To be compatible with the eventual transition to a fully computerized smog certification program that will not require the use of printed certificates as evidence of compliance.

(6) To be compatible with bar code scanning of vehicles as provided in Section 44041.

(7) To permit ongoing entry of information from each smog check station into the centralized data base to enlarge and improve the data base on a continuous basis.

(8) To be compatible with the department's recordkeeping and compilation requirements established by Section 44037.

(9) To meet the needs of a remote-sensing program to identify gross polluting vehicles, specified by the department.

(10) To meet any other needs specified by the department to enhance the benefits of the program through storage of vehicle-specific information such as that pertaining to scrap programs, and the referee program.

(c) After January 1, 1995, each smog check station shall transmit vehicle data emission test results to the department's centralized data base. Each smog check station shall also transmit vehicle data and emission measurements made before and after repair. The department shall establish, by regulation, the form, manner, and frequency of the data transmittals.

SEC. 37. Section 44038 of the Health and Safety Code is amended

to read:

44038. Until implementation of the centralized computer data base required pursuant to Section 44037.1, each smog check station shall transmit vehicle data and emission test or repair results to the department and transmit to the department vehicle data and emission measurements made before and after repair. The department shall establish, by regulation, the form, manner, and frequency of those data transmittals.

SEC. 38. Section 44041 is added to the Health and Safety Code, to read:

44041. In order to expedite emissions testing and to eliminate errors in the transcription of vehicle data, the department shall, in cooperation with the Department of Motor Vehicles, furnish bar code labels to all vehicle owners at the time of their vehicle's annual registration renewal. The labels shall contain vehicle identification numbers and other vehicle-specific information, to be determined by the department, which can be recorded by smog check station technicians utilizing the scanning devices required by Section 44036.

SEC. 39. Section 44045.5 is added to the Health and Safety Code, to read:

44045.5. (a) The department shall, by regulation, establish requirements for the licensure of smog check technicians which are necessary to enable the program to meet the applicable emission reduction performance standards, to include, at a minimum:

(1) Either of the following:

(A) Certification standards for all technicians in the program which are equivalent or superior to the standards applicable for certification by an established national certification or accrediting institution to perform service on automotive engines and electrical systems.

(B) Successful completion of a training program certified by the department under Section 44045.6.

(2) In addition to the requirement in paragraph (1), both of the following:

(A) Certification standards which are equivalent or superior to the standards applicable for certification by an established national certification or accrediting institution to perform electronic emissions diagnostics.

(B) A minimum of two years' experience as a licensed smog check technician, or experience determined to be equivalent by the department approved by the department, or an associate degree in an automotive technology curriculum, or an equivalent degree as determined by the department.

(3) An examination process that effectively determines whether applicants are all of the following:

(A) Knowledgeable regarding the visual, functional, and exhaust and evaporative emissions inspection and testing procedures specified by the department.

(B) Knowledgeable regarding misfire detection, air injection

testing, closed-loop system testing, and generic idle adjustment procedures specified by the department.

(C) Capable of using emissions manuals and tune-up labels to properly identify required emission control systems and components on any vehicle subject to the enhanced program.

(4) Not later than January 1, 1995, the examination shall use actual vehicle systems or components, or computer simulations thereof, to determine whether applicants can properly identify, diagnose, and repair emission-related problems in a simulated real-world situation.

(b) The department shall not license any technician unless the department has determined that the person is able to perform the inspection, testing, and repair tasks required under the program on all vehicles subject to the program, except that the department may limit this requirement to specified makes or models of vehicles if a technician requests licensing limited to specified makes or models of vehicles.

(c) The department may establish more than one category or level of licensure, and may provide for the licensing of interns or trainees if those persons do all of their test and repair work under the supervision of a licensed technician.

(d) The department shall require the renewal of smog check technician licenses every two years, and shall establish any necessary and appropriate requirements for renewal.

SEC. 40. Section 44045.6 is added to the Health and Safety Code, to read:

44045.6. (a) The department shall, by regulation, establish requirements for the training of smog check technicians which are necessary to enable the program to meet the applicable emission reduction performance standards, to include, at a minimum, all of the following:

(1) Criteria for facilities, equipment, reference materials, and instructional materials.

(2) A detailed outline of lectures and laboratory work.

(3) A final examination and recommended passing score.

(4) In lieu of the requirements in paragraphs (1) to (3), inclusive, the department may accept certification by an established national training institution of training in relevant curricula, including electrical systems, engine performance, and electronic emissions diagnostics.

(b) Training facilities meeting the requirements of subdivision (a) shall be certified by the department to provide smog check training.

(c) The department may require remedial training at a certified training facility or may take disciplinary action, whichever the department determines to be the most appropriate, for any licensed technician who the department determines cannot perform inspections, testing, or repairs as required under the program. The failure to complete the remedial training when required by the department shall be a ground for revocation or suspension of a smog

check technician's license under Section 44072.2.

SEC. 41. Section 44050 of the Health and Safety Code is amended to read:

44050. (a) If, upon investigation, the department has probable cause to believe that a licensed smog check station or a fleet owner licensed under Section 44020 has violated this chapter, or any regulation adopted pursuant to this chapter, the department may issue a citation to the licensee or fleet owner. The citation shall specify the nature of the violation and may specify a civil penalty assessed by the department pursuant to Section 44051 or 44051.5.

(b) If, upon investigation, the department has probable cause to believe that a qualified smog check technician has violated Section 44012, 44015, 44016, or 44032, or any regulation of the department adopted pursuant to this chapter, the department may issue a citation to the technician. The citation shall specify the nature of the violation and, in addition, whichever of the following applies:

(1) For a first citation, the smog check technician shall successfully complete one or more retraining courses prescribed by the department pursuant to subdivision (c) of Section 44031.5.

(2) For a second citation, the smog check technician shall successfully complete one or more retraining courses prescribed by the department pursuant to subdivision (c) of Section 44031.5 and the technician shall perform inspections or repairs pursuant to this chapter under the direction of a technician in good standing, as defined by the department.

(3) For a third citation, the smog check technician shall successfully complete an advanced retraining course prescribed by the department and shall perform no inspection or repair pursuant to this chapter until that completion.

(4) For a fourth citation, the smog check technician's qualification may be permanently revoked.

(c) The citation shall be served pursuant to subdivision (c) of Section 11505 of the Government Code.

SEC. 42. Section 44056 of the Health and Safety Code is amended to read:

44056. (a) Except as otherwise provided in Sections 44051 and 44051.5, any person who violates this chapter, or any order, rule, or regulation of the department adopted pursuant to this chapter, is liable for a civil penalty of not less than one hundred fifty dollars (\$150) and not more than two thousand five hundred dollars (\$2,500) for each day in which each violation occurs. Any action to recover civil penalties shall be brought by the Attorney General in the name of the state on behalf of the department, or may be brought by any district attorney, city attorney, or attorney for a district.

(b) The penalties specified in subdivision (a) do not apply to an owner or operator of a motor vehicle, except an owner or operator who does any of the following:

(1) Obtains, or who attempts to obtain, a certificate of compliance or noncompliance without complying with the requirements of

Section 44015.

(2) Obtains, or attempts to obtain, a certificate of compliance by means of fraud, including, but not limited to, offering or giving any form of financial or other inducement to any person for the purpose of obtaining a certificate of compliance for a vehicle which has not been tested or has been tested improperly.

(3) Registers a motor vehicle at an address other than the owner's or operator's residence address for the purpose of avoiding the requirements of this chapter.

SEC. 43. Section 44060 of the Health and Safety Code is amended to read:

44060. (a) The department shall prescribe the form of the certificate of compliance or noncompliance.

(b) Effective not later than January 1, 1996, the certificate shall be in the form of an electronic entry filed with the department, the Department of Motor Vehicles, and any other person designated by the department. In meeting the January 1, 1996, deadline, the department shall ensure that adequate lead time is provided for conversion to an electronic entry type of certificate. The department shall ensure that the vehicle owner or operator is provided with a written report of any test performed by a smog check station, including a pass or fail indication, and written confirmation of the issuance of the certificate.

(c) (1) The department shall charge a fee to a licensed smog check station and a referee station for a vehicle inspected at that station which meets the requirements of this chapter, to cover its costs incurred pursuant to subdivision (b).

(2) The fee charged pursuant to paragraph (1) shall be calculated to recover the costs of the department and any other state agency directly involved in the implementation, administration, or enforcement of the motor vehicle inspection and maintenance program, and shall not exceed the amount reasonably necessary to fund the operation of the program, including all responsibilities, requirements, and obligations imposed upon the department or any of those state agencies by this chapter, which are not otherwise recoverable by fees received pursuant to Section 44034.

(3) Except for adjustments to reflect changes in the Consumer Price Index, as published by the United States Bureau of Labor Statistics, the fee for each certificate shall not exceed seven dollars (\$7).

(4) Fees collected by the department pursuant to this subdivision shall be deposited in the Vehicle Inspection and Repair Fund. It is the intent of the Legislature that a prudent surplus be maintained in the Vehicle Inspection and Repair Fund. If the surplus exceeds the reasonable costs of administration of the programs specified in this chapter and in Chapter 20.3 (commencing with Section 9880) of Division 3 of the Business and Professions Code, the department shall, by regulation, prescribe a lower fee for the certificate.

(d) The sale or transfer of the certificate by a licensed smog check

station and referee stations to any other licensed smog check station or any other person, and the purchase or acquisition of the certificate by any person, other than from the department, the department's designee, or pursuant to a vehicle inspection or repair conducted pursuant to this chapter, is prohibited.

(e) Following implementation of the electronic entry certificate under subdivision (b), the department may require modification of the analyzers and other equipment required at smog check stations to prevent the entry of a certificate which has not been issued or validated through prepayment of the fee authorized by subdivision (c).

(f) The fee charged by licensed smog check stations and referee stations to consumers for a certificate shall be the same amount that is charged by the department.

SEC. 44. Section 44062.1 is added to the Health and Safety Code, to read:

44062.1. The department shall develop and implement a repair subsidy program not later than January 1, 1996.

SEC. 45. Section 44062.2 is added to the Health and Safety Code, to read:

44062.2. (a) The state board shall adopt, by regulation, procedures to establish an emissions credit exchange whereby persons may contribute to the Vehicle Inspection and Repair Fund, and receive equitable emissions reduction credits for those contributions.

(b) Districts may establish procedures to generate marketable emission reduction credits from contributions toward the repair subsidy program described in Section 44062.1. Emission reduction credits generated pursuant to this subdivision may be used to meet or offset transportation control requirements, average vehicle ridership reductions, or other mobile source emission requirements, as determined by the district.

(c) The credits established pursuant to subdivision (a) or (b) shall not be allowed until the emission reduction goals established by the amendments enacted in 1990 to the Clean Air Act (P.L. 101-549) have been achieved.

SEC. 46. Section 44070.5 is added to the Health and Safety Code, to read:

44070.5. (a) The department shall develop and continuously conduct a public information program. The program shall be designed to develop and maintain public support and cooperation for the smog check program and shall include information on all of the following:

- (1) The health damage caused by air pollution.
- (2) The contribution of automobiles to air pollution and the gross polluter problem.
- (3) Whether a motorist's vehicle could be a gross polluter without the motorist knowing.
- (4) The importance of maintaining a vehicle's emission control

devices in good working order and the importance of the smog check program.

(b) That information shall be imparted by all means that the department determines to be feasible and cost-effective, including, but not limited to, television, newspaper, and radio advertising and trailers in movie theaters. The department may also utilize grass roots community networks, including local opinion leaders, churches, the PTA, and the workplace. Extensive marketing research shall be performed to identify the target population.

SEC. 47. Section 44072.10 is added to the Health and Safety Code, to read:

44072.10. (a) Notwithstanding Sections 44072 and 44072.4, the director, or the director's designee, may, pending a hearing conducted by the director under this article, temporarily suspend any smog check station or technician's license issued under this chapter, for a period not to exceed 60 days, if the department determines that there is evidence of any of the following:

(1) Fraud.

(2) Tampering.

(3) Intentional or willful violation of this chapter or any regulation, standard, or procedure of the department implementing this chapter.

(4) A pattern or regular practice of violating this chapter or any regulation, standard, or procedure of the department implementing this chapter.

(b) If a motor vehicle dealer sells any used vehicle, knowing that the vehicle has been fraudulently certified, that act shall be additional grounds for suspension or revocation pursuant to Section 11705 of the Vehicle Code. A dealer's license so revoked shall not be reinstated for any reason for at least five years.

(c) The department shall issue a citation to a smog check station licensee if any fraudulent certification of vehicles occurs on the premises of the station. If within two years of the issuance of such a citation, any fraudulent certification of vehicles occurs at the station, the department shall revoke the station's license. The department shall, pending any hearing on revocation under this section, temporarily suspend any smog check station's or technician's license for not more than 60 days.

(d) The department shall revoke the license of any smog check technician or station licensee who fraudulently certifies vehicles or participates in the fraudulent certification of vehicles. A fraudulent certification includes, but is not limited to, all of the following:

(1) Clean piping, as defined by the department.

(2) Tampering with a vehicle emission control system or test analyzer system.

(3) Intentional or willful violation of this chapter or any regulation, standard, or procedure of the department implementing this chapter.

(e) Once a license has been revoked for a smog check station or

technician under subdivision (a), (c), or (d), the license shall not be reinstated for any reason. A hearing shall be held and a decision issued within 60 days after the date on which the notice of the temporary suspension was provided unless the time for the hearing has been extended, or the right to a hearing has been waived, by the licensee.

(f) The hearing shall be conducted in accordance with Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code, or by court order.

(g) The department shall adopt, by regulation, procedures to ensure that any affected licensee is provided adequate notice and opportunity to be heard prior to issuing an order temporarily suspending a license under this section.

SEC. 48. Section 44072.11 is added to the Health and Safety Code, to read:

44072.11. (a) The department may refuse to issue or renew a license for a smog check station or technician who is subject to a 60-day suspension pursuant to Section 44072.10.

(b) Any smog check station or technician's license granted by the department is a privilege and not a vested right, and may be revoked or suspended by the department for any of the reasons specified in Section 44072.1 or on evidence that the station or technician is not in compliance with any of the requirements of subdivision (a).

SEC. 49. Section 44081 of the Health and Safety Code is repealed.

SEC. 50. Section 44081 is added to the Health and Safety Code, to read:

44081. (a) The department, in cooperation with the state board, shall institute procedures for auditing the emissions of vehicles while actually being driven on the streets and highways of the state. The department may undertake those procedures itself or seek a qualified vendor of these services. The primary object of the procedures shall be the detection of gross polluting vehicles. The procedures shall consist of techniques and technologies determined to be effective for that purpose by the department, including, but not limited to, remote sensing. The procedures may include pullovers for roadside emissions testing and inspection. The department shall, if requested by the review committee, revise the program developed pursuant to this subdivision based on the findings of the review committee regarding the pilot program or programs conducted pursuant to Section 44081.5.

(b) The department shall, by regulation, establish a program for the out-of-cycle testing and repair of vehicles found, through roadside auditing, to be emitting at levels that exceed specified standards. The program shall include all of the following elements:

(1) Emission standards, and test and inspection procedures and regulations, adopted with the written concurrence of the state board, applicable to vehicles tested during roadside auditing. Emission standards for citation as a gross polluter shall be designed to maximize the identification of vehicles with substantial excess

emissions and shall be set to identify not less than the 5 percent of the vehicle population subject to the program that are the worst gross polluters.

(2) Procedures for issuing citations to owners of gross polluting vehicles, either at the time of the roadside audit, or subsequently by certified mail, or by obtaining a certificate of mailing as evidence of service, using technologies for recording license plate numbers. The citations shall provide that, unless the vehicle is brought to a designated referee station for emission existing within 30 days, the owner will be subject to a penalty of five hundred dollars (\$500) to be imposed at the next annual registration renewal or the next change of ownership of the vehicle, whichever occurs first.

(3) Procedures for the testing of vehicles cited as gross polluters by a designated referee facility to confirm that the vehicle exceeds the minimum emission standard for gross polluters set by the department.

(4) Procedures requiring owners of vehicles confirmed as gross polluters to have the vehicle repaired, resubmitted for testing, and obtain a certificate of compliance from a designated referee facility within 30 days or be subject to a penalty of five hundred dollars (\$500) imposed at the next annual registration renewal or the next change of ownership, whichever occurs first. No vehicle cited as a gross polluter that has not received a certificate of compliance shall be registered in California. Except as provided in subdivision (b) of Section 9250.18 of the Vehicle Code, any penalty revenues collected by the Department of Motor Vehicles pursuant to this subdivision and Section 9250.18 of the Vehicle Code shall be deposited in the Vehicle Inspection and Repair Fund. If the ownership of the vehicle is transferred, the penalty provided for in this subdivision shall be waived if the vehicle is brought into compliance.

(5) A procedure for notifying the Department of Motor Vehicles of citations issued, so that the Department of Motor Vehicles may provide effective enforcement of the penalty for noncompliance. The Department of Motor Vehicles shall cooperate with and implement the requirements of the department in this regard, by regulation.

(c) Upon the request of the department, the Department of the California Highway Patrol shall provide assistance in conducting roadside auditing, to consist of (1) the stopping of vehicles and traffic management, and (2) the issuance of citations to gross polluting vehicles. The department shall reimburse the Department of the California Highway Patrol for its costs of providing those services.

(d) There shall be no repair cost limit imposed pursuant to Section 44017 for repairs that are required to be made under the roadside auditing program, except as provided in subdivision (d) of Section 44017.

SEC. 51. Section 44081.5 is added to the Health and Safety Code, to read:

44081.5. (a) The review committee shall design, in cooperation

with the department, the state board, and the Environmental Protection Agency, and the department shall conduct, one or more pilot programs to evaluate the gross polluter program authorized in Section 44081. Any such pilot programs shall be conducted on a sufficient scale and with a large enough number of vehicles to provide adequate data to project emission benefits from statewide implementation.

(b) The review committee shall contract with an academic or research institution to conduct an evaluation of the pilot program. The amending of the contract shall not be subject to any restrictions in the Government Code or the Public Contract Code. The evaluation shall provide projections of emission benefits from statewide implementation not later than December 1, 1994.

(c) The department shall implement the findings of the pilot program for the purpose of establishing an effective out-of-cycle testing program pursuant to Section 44081.

SEC. 52. Section 44082 of the Health and Safety Code is repealed.

SEC. 53. Section 44082 is added to the Health and Safety Code, to read:

44082. (a) (1) On or before June 30, 1995, the review committee shall evaluate whether the motor vehicle inspection and maintenance program, combined with the projected benefits of statewide implementation of the gross polluter program authorized in Section 44081, will be sufficient to meet emission reduction requirements specified in the Clean Air Act (42 U.S.C. Sec. 7401 et seq.) and implementing regulations of the Environmental Protection Agency. The review committee shall contract with an academic or research institution to independently evaluate the projected emission benefits from the program and to identify the additional emission reductions possible from each of the measures listed in subdivision (b).

(2) The review committee shall submit its findings and recommendations to the California Environmental Protection Agency not later than June 30, 1995.

(b) If the California Environmental Protection Agency determines that California will not meet the federal emission reduction standards, the agency shall notify the department of that determination, and the department shall implement the following measures, in the following order, as necessary to meet the federal standards:

(1) Increase the number of vehicles required to obtain out-of-cycle repairs for excessive emissions up to a maximum of 10 percent of the fleet.

(2) Require vehicles confirmed as gross polluters to receive annual certificates of compliance for five years.

(3) Require all vehicles eight years old and older to receive annual certificates of compliance.

(4) Require all fleet vehicles with a demonstrated pattern of excessive emissions to receive annual certificates of compliance.

(5) Require all fleet vehicles to report to referee stations for testing prior to repair.

(6) To the extent necessary to meet Environmental Protection Agency performance standards under the Clean Air Act (42 U.S.C. 7401 et seq.), implement the provisions in subdivision (c).

(c) (1) (A) Instead of the requirements of Section 44010, the basic program shall provide for privately operated stations which shall be referred to as smog check stations and which are authorized to issue certificates of compliance for vehicles which meet the requirements of this chapter.

(B) Except as provided in paragraph (2), the enhanced program shall provide for the testing and retesting of 1980 and subsequent model-year subject vehicles at test-only stations, which shall be operated by one or more private persons under contract to the department, unless the department determines that contracting for those services is not feasible or cost-effective, in which case the stations shall be operated by the department. Vehicles of the 1979 and earlier model-years registered in an area subject to the enhanced program may be tested at any smog check station that performs tests only.

(C) The repair of vehicles at test-only stations shall be prohibited, except that the minor repair of components damaged by station personnel during inspection at the station, any minor repair which is necessary for the safe operation of a vehicle while at a station, or other minor repairs such as the reconnection of hoses, vacuum lines, or other measures that require not more than five minutes to complete, may be undertaken at no charge to the vehicle owner or operator if authorized in advance in writing by the department.

(D) No person shall be a contractor of the department for test-only stations in all air basins where the enhanced program is in effect unless the department determines that there is not more than one qualified contractor.

(E) In awarding contracts under this section, the department shall request bids through the issuance of a request for proposals. The department shall first determine which bidders are qualified, and then award the contract to the qualified bidder with the lowest cost bid. The department shall apply up to a 5-percent discount to the cost of a bid, based on the extent to which the bidder provides firm commitments to employ businesses or employees of businesses licensed or otherwise substantially participating in the smog check program on or after January 2, 1993. The department shall also apply a 5-percent discount to the cost of a bid based on the extent to which bidders maximize the potential financial impact of the program on this state over the term of the contract. That potential financial impact shall include the percentage of work performed by California-based firms, the percentage of the total project workforce that will be California residents, and the percentage of subcontracts that will be awarded to California-based firms. Any contract executed by the department for the operation of a test-only station

shall explicitly require compliance with all requirements established by the department.

(F) The department shall ensure that there is a sufficient number of test-only stations, and that they are properly located, to ensure reasonable accessibility and convenience to all persons within an enhanced program area, but in no event shall the average driving distance to the closest test-only station exceed 10 miles within an enhanced program area. The department shall specify in the request for proposal the number of test-only stations that are required for the program.

(G) The department shall ensure that test-only stations are designed, equipped, and operated so as to limit the maximum waiting time for service to 15 minutes for at least 90 percent of the inspections. The department shall specify in the request for proposal the total number of inspection lanes at the test-only stations for each contract area and the total weekly operating hours of the test-only stations. In order to ensure that the program will accommodate future growth or changes in the program, the department shall specify in the request for proposal the minimum number of expansion lanes for each test-only station.

(H) Any data generated at a test-only station is the property of the state, and shall be fully accessible to the department at any time. The department may set contract specifications for the storage of that data in a central data storage system or facility designated by the department.

(I) The department shall ensure an effective transition to the new program by implementing an effective public education program and shall specify in the request for proposal a dollar amount that bidders shall include in their bids for the public education activities.

(J) The department shall ensure the effective management of the test-only stations and shall specify in the request for proposal that a manager be present during all hours of operation.

(K) The department shall ensure and facilitate the effective transition of employees of businesses licensed or otherwise substantially participating in the smog check program and shall specify in the request for proposal that test-only station management be Automotive Service Excellence (ASE) certified.

(2) (A) The department shall authorize smog check stations in the enhanced program which are licensed as a Gold Shield station pursuant to paragraph (3) to repair and retest failed vehicles which have failed an initial test at a test-only smog check station operated by the department or its contractor. Gold Shield stations authorized to retest vehicles pursuant to this subdivision may issue certificates of compliance to vehicles, other than tampered vehicles, heavy-duty gasoline-powered vehicles that have failed a functional evaporative system control test, vehicles that received certificates of compliance from a Gold Shield station in the previous test cycle, or gross emitters, which meet all applicable emission standards and equipment requirements of the enhanced program.

(B) Tampered vehicles, heavy-duty gasoline-powered vehicles, vehicles that received certificates of compliance from a Gold Shield station in the previous test cycle, vehicles which have failed an evaporative emissions control system functional test, and gross emitters which have been repaired and meet all applicable emission standards and equipment requirements under the enhanced program may be issued a certificate of compliance only at a test-only station operated by the department or its contractor, or at a referee station if applicable, except that a repair cost waiver may be issued for gross emitters pursuant to Section 44015.

(C) The department shall conduct an ongoing evaluation of the effectiveness of the Gold Shield program to determine whether it should be discontinued or expanded. Vehicles of the 1996 and later model-years shall not be allowed to participate in the Gold Shield program until it has been demonstrated to the satisfaction of the Environmental Protection Agency that the Gold Shield program is effective at reducing vehicle emissions and that the inclusion of those vehicles in the Gold Shield program will not jeopardize the ability of the enhanced program to meet the Environmental Protection Agency's enhanced performance standard for all applicable milestone dates.

(D) A Gold Shield smog check station shall require, as a condition of performing a retest, that any needed repairs or adjustments be done at the station or by a person employed by the station.

(E) (i) A motor vehicle dealer who is licensed pursuant to Article 1 (commencing with Section 11700) of Chapter 4 of Division 5 of the Vehicle Code shall not be in violation of subdivision (b) of Section 24007 of the Vehicle Code if the dealer has sold a vehicle which will be registered in an area subject to the enhanced program and all of the following conditions have been met:

(I) The vehicle received a certificate of compliance following its most recent inspection and test and would not, except for the vehicle's transfer of ownership, have been required to be inspected and tested again for at least 30 days subsequent to the date of sale.

(II) Not more than 90 days prior to the date of sale, the dealer has had the vehicle inspected and tested at a test-only or a Gold Shield smog check station licensed under this chapter and the station has verified that the vehicle is in compliance with the emission standards and equipment requirements applicable for that vehicle as of the date that the vehicle received its most recent certificate of compliance and issued a certificate of verification attesting to that compliance.

(III) The dealer obtains the purchaser's signature on the following written statement, provides the purchaser with an executed copy of the statement, and retains the statement for inspection by the department:

“An emission test has been performed on this vehicle which verifies that it is still in compliance with the applicable emission control requirements of the State of California as of the date that the vehicle last received a Certificate of Compliance.

You have the right to have this vehicle retested at an official test-only smog check station and to obtain a new Certificate of Compliance within five (5) working days from the date of your purchase. If the vehicle passes the retest, you are responsible for the cost of the retest, but the next required smog check inspection of the vehicle will not occur for at least one year. If the vehicle fails the retest, the seller is obligated to reimburse you for your cost of having the vehicle retested, and, without expense to you, must have the vehicle repaired and must obtain a Certificate of Compliance from a test-only station.

Unless the scheduled renewal date is extended as a result of a retest, you will be responsible for having the vehicle tested when the current Certificate of Compliance for the vehicle expires, and for the cost of the testing.

Date: _____

Buyer's Signature: _____”

(IV) The dealer has complied with all conditions and requirements applicable to the seller in the statement set forth in subclause (III).

(ii) The Department of Motor Vehicles shall accept a certificate of verification issued under subclause (III) of clause (i) in lieu of the certificate of compliance otherwise required under Section 24007 of the Vehicle Code.

(iii) The department shall specify the form and content of the certificate of verification, which shall include the date of sale of the subject vehicle by the dealer.

(iv) If the purchaser of a vehicle has obtained a certificate of compliance following a confirmatory retest, as provided for in the statement set forth in subclause (III) of clause (i), and the next required biennial inspection under the program is due within one year from the date of sale, the Department of Motor Vehicles shall extend the date of that inspection one additional year.

(F) Not later than December 31, 1997, the state board, in consultation with the department and the review committee established pursuant to Section 44021, shall complete a study of the emissions reduction effectiveness of Gold Shield smog check stations, and provide the results of the study to the department. If the results

so indicate, the state board shall apply to the Environmental Protection Agency for approval to use a revised emissions reduction effectiveness factor for Gold Shield smog check stations.

(3) (A) (i) With the written concurrence of the state board, the department shall establish, and from time to time revise, licensing requirements for Gold Shield smog check stations and technicians authorized to test and repair vehicles under the enhanced program. Those requirements shall ensure that Gold Shield smog check stations and technicians, at a minimum, meet the requirements applicable to all smog check stations and technicians in the enhanced program, and shall impose any additional or more stringent requirements that may be necessary to achieve and maintain the following objectives for Gold Shield smog check stations:

(I) Emission reductions for all Gold Shield smog check stations, on a statewide basis, that are consistent with the performance standards set by the department under Section 44013.

(II) A 98 percent or better validity rate for all tests conducted at each Gold Shield smog check station.

(III) Up-to-date, in-depth knowledge on the part of all test and repair personnel at each Gold Shield smog check station sufficient to enable successful diagnosis of at least 90 percent of the emissions-related defects in vehicles that fail inspection.

(ii) At least once annually, the department shall survey each Gold Shield smog check station, and station personnel, to determine its progress in meeting these objectives. The department shall utilize specially prepared test vehicles to objectively and accurately assess performance in its surveys. The department shall report survey results to the owner or operator of each Gold Shield smog check station, with appropriate recommendations for improved performance. For any Gold Shield smog check station with performance significantly and unjustifiably below statewide performance levels, the department shall issue a written performance improvement directive specifying what measures the station must take, and by what date, to upgrade its performance. Based on the results of those surveys, the department shall revise its licensing requirements as needed.

(B) Emission retests and repairs conducted at a Gold Shield smog check station shall use equipment and follow procedures specified by the department, which may differ from those applicable at other smog check stations. Retesting at Gold Shield smog check stations shall be by the same method as in test-only stations, or, if different, shall accurately replicate testing conducted on vehicles that fail at test-only stations. The department may revise the equipment specifications for Gold Shield smog check stations annually, but the cost of those revisions may not exceed 33 percent of the total system cost for each station. A more comprehensive annual revision may not be required more often than every three years.

(C) In addition to the grounds specified in Section 44072.1, the department may refuse to issue or renew a license for a Gold Shield

smog check station or technician if the department has determined that the station or technician has failed to do any of the following:

- (i) Properly detect failed or noncomplying vehicles.
- (ii) Accurately diagnose the cause for any failure.
- (iii) Properly conduct testing or retesting.
- (iv) Properly repair emissions-related defects.
- (v) Implement a performance improvement directive by the specified date.
- (vi) Comply with any applicable licensing requirement of the department.

(D) Any Gold Shield smog check station or technician's license granted by the department is a privilege and not a vested right, and may be revoked or suspended by the department for any of the reasons specified in Section 44072.2 or on evidence that the station or technician is not complying with any of the requirements of subparagraph (C).

(E) Except as provided in this section, Article 7 (commencing with Section 44072) applies to any action taken by the department to deny, revoke, suspend, or otherwise take action with respect to a Gold Shield smog check station or technician's license.

(F) Revocation or suspension of a Gold Shield license shall not prevent the licensee from operating as a non-Gold Shield licensed smog check station or technician under the enhanced program, unless the department has also revoked or suspended that license.

(4) (A) The department shall charge a fee at all test-only stations to recover the actual cost of all tests conducted, including all associated administrative and overhead costs.

(B) The department shall charge a fee for each certificate of compliance issued at a test-only or Gold Shield station, as authorized pursuant to Section 44060.

(C) All amounts collected under this section at test-only stations shall be deposited in the Vehicle Inspection and Repair Fund, except that, if a station is operated by a contractor of the department, the department may, by contract, and subject to strict accounting and audit by the department, authorize the operator to collect the fees and retain an amount sufficient to cover the operator's collection costs, and require the operator to transfer the balance to the department for deposit in the fund.

(D) Nothing in this section shall prevent a Gold Shield smog check station, which is duly licensed under this chapter, from independently setting and charging fees for testing or repair at the station.

(5) (A) Instead of the requirements of Section 44014, the testing and repair portion of the basic program shall be conducted by smog check stations licensed by the department, and by smog check technicians who have qualified pursuant to this chapter.

(B) A smog check station may be licensed under the basic program by the department as a smog check test-only station. A smog check technician employed by a smog check test-only station shall be

qualified in accordance with this section.

(C) Smog check technicians are qualified under the basic program to test and repair only those classes and categories of vehicles for which they have passed a qualification test administered by the department. The department shall provide for smog check technicians to be qualified for different categories of motor vehicle inspection based on vehicle classification and model-year.

(D) The repair of vehicles for compensation under the enhanced program shall be conducted at smog check stations licensed by the department, and by smog check technicians who have qualified pursuant to this chapter. The retesting of vehicles after repair under the enhanced program shall be conducted only by the test-only facilities established under the enhanced program, or by a licensed Gold Shield smog check station.

(E) The consumer protection-oriented quality assurance portion of the basic program may be conducted by more than one private entity pursuant to contract with the department.

SEC. 54. Section 44083 of the Health and Safety Code is repealed.

SEC. 55. Section 4000.3 of the Vehicle Code is amended to read:

4000.3. (a) Except as otherwise provided in Section 44011 of the Health and Safety Code, the department shall require biennially, upon renewal of registration of any motor vehicle subject to Part 5 (commencing with Section 43000) of Division 26 of the Health and Safety Code, a valid certificate of compliance issued in accordance with Section 44015 of the Health and Safety Code. The department, in consultation with the Department of Consumer Affairs, shall develop a schedule under which vehicles shall be required biennially to obtain certificates of compliance.

(b) The Department of Consumer Affairs shall provide the department with information on vehicle classes that are subject to the motor vehicle inspection and maintenance program.

SEC. 56. Section 5204 of the Vehicle Code is amended to read:

5204. (a) Except as provided by subdivisions (b) and (c), a tab shall indicate the year of expiration and a tab shall indicate the month of expiration, which tabs shall be attached to the rear license plate assigned to the vehicle for the last preceding registration year in which license plates were issued, and, when so attached, the license plate with the tabs shall, for the purposes of this code, be deemed to be the license plate for the preceding registration year, except that truck tractors, and commercial motor vehicles having an unladen weight of 10,000 pounds or more, shall display the tabs upon the front license plate assigned to the truck tractor or commercial motor vehicle.

(b) The requirement of subdivision (a) that the tabs indicate the year and the month of expiration does not apply to fleet vehicles subject to Article 9.5 (commencing with Section 5300).

(c) Subdivision (a) does not apply when proper application for registration has been made pursuant to Section 4602 and the new indicia of current registration have not been received from the

department.

(d) This section is enforceable against any motor vehicle that is driven, moved, or left standing upon a highway, or in an offstreet public parking facility, in the same manner as provided in subdivision (a) of Section 4000.

SEC. 57. Section 9250.18 is added to the Vehicle Code, to read:

9250.18. (a) The department shall collect the penalty established pursuant to Section 44081 of the Health and Safety Code upon the renewal of registration or transfer of ownership of any motor vehicle registered in the state.

(b) After deducting all costs incurred pursuant to this section and Section 44081 of the Health and Safety Code, the department shall deposit the revenues from collection of the penalty in the Vehicle Inspection and Repair Fund, or shall dispose of the revenues as may be provided in an interagency agreement between the department and the Department of Consumer Affairs.

SEC. 58. Section 27156 of the Vehicle Code is amended to read:

27156. (a) No person shall operate or leave standing upon any highway any motor vehicle which is a gross polluter, as defined in Section 39032.5 of the Health and Safety Code.

(b) No person shall operate or leave standing upon any highway any motor vehicle which is required to be equipped with a motor vehicle pollution control device under Part 5 (commencing with Section 43000) of Division 26 of the Health and Safety Code or any other certified motor vehicle pollution control device required by any other state law or any rule or regulation adopted pursuant to that law, or required to be equipped with a motor vehicle pollution control device pursuant to the National Emission Standards Act (42 U.S.C. Secs. 1857f-1 to 1857f-7, inclusive) and the standards and regulations adopted pursuant to that federal act, unless the motor vehicle is equipped with the required motor vehicle pollution control device which is correctly installed and in operating condition. No person shall disconnect, modify, or alter any such required device.

(c) No person shall install, sell, offer for sale, or advertise any device, apparatus, or mechanism intended for use with, or as a part of, any required motor vehicle pollution control device or system which alters or modifies the original design or performance of any such motor vehicle pollution control device or system.

(d) If the court finds that a person has willfully violated this section, the court shall impose the maximum fine that may be imposed in the case, and no part of the fine may be suspended.

(e) "Willfully," as used in this section, has the same meaning as the meaning of that word prescribed in Section 7 of the Penal Code.

(f) No person shall operate a vehicle after notice by a traffic officer that the vehicle is not equipped with the required certified motor vehicle pollution control device correctly installed in operating condition, except as may be necessary to return the vehicle to the residence or place of business of the owner or driver or to a

garage, until the vehicle has been properly equipped with such a device.

(g) The notice to appear issued or complaint filed for a violation of this section shall require that the person to whom the notice to appear is issued or against whom the complaint is filed produce proof of correction pursuant to Section 40150 or proof of exemption pursuant to Section 4000.1 or 4000.2.

(h) This section shall not apply to an alteration, modification, or modifying device, apparatus, or mechanism found by resolution of the State Air Resources Board to do either of the following:

(1) Not to reduce the effectiveness of any required motor vehicle pollution control device.

(2) To result in emissions from any such modified or altered vehicle which are at levels which comply with existing state or federal standards for that model year of the vehicle being modified or converted.

(i) This section applies to motor vehicles of the United States or its agencies, to the extent authorized by federal law.

SEC. 59. Section 40517 is added to the Vehicle Code, to read:

40517. (a) Whenever a written notice to appear as a gross polluter pursuant to Section 44081 of the Health and Safety Code has been prepared by a peace officer or by a qualified employee or agent of the Bureau of Automotive Repair, on a form delivered by mail to the current address on file with the department, with a certificate of mailing being obtained as evidence of service, an exact and legible duplicate copy of the notice when filed with the department shall constitute a complaint to which the defendant may enter a plea. That notice shall not, however, constitute an arrest. If the notice to appear is not responded to by the person or business named in the notice, the department shall, not sooner than fifteen days after the date to appear specified in the notice, place a hold on the registration of the vehicle described in the notice.

(b) Thereafter, if the party named in the written notice to appear complies with the requirements of the notice, the department shall remove any hold placed on the registration of the vehicle pursuant to subdivision (a), except that any other hold not related to the specific notice shall not be removed.

SEC. 61. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs which may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, changes the definition of a crime or infraction, changes the penalty for a crime or infraction, or eliminates a crime or infraction. Notwithstanding Section 17580 of the Government Code, unless otherwise specified in this act, the provisions of this act shall become operative on the same date that the act takes effect pursuant to the California Constitution.

CHAPTER 2

An act relating to energy resources, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor January 27, 1994. Filed with Secretary of State January 28, 1994.]

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

SECTION 1. The sum of four hundred thousand dollars (\$400,000) appropriated for local assistance to the Department of Transportation, payable from the Petroleum Violation Escrow Account, and allocated to child care facilities for mass transit commuters, pursuant to subdivision (q) of Provision 1 of Item 2660-101-853 of Section 2.00 of the Budget Act of 1992 (Chapter 587 of the Statutes of 1992), and reappropriated pursuant to Item 2660-493 of Section 2.00 of the Budget Act of 1993 (Chapter 55 of the Statutes of 1993), is hereby reappropriated in accordance with the following schedule:

- (a) To the Department of Transportation for local assistance for the Sylmar-San Fernando Metrolink Station \$300,000
- (b) To the State Energy Resources Conservation and Development Commission for allocation to the Metropolitan Transportation Authority for child care facilities energy conservation measures at the Sylmar-San Fernando Metrolink Station \$100,000

SEC. 2. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to authorize the maximum use of federal funds for the Sylmar-San Fernando Metrolink Station and for child care facilities energy conservation measures at the station, it is necessary that this act take effect immediately.

CHAPTER 3

An act to amend and renumber Section 40100 of, and to add Section 40100 to, the Health and Safety Code, relating to air pollution, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor January 27, 1994. Filed with Secretary of State January 28, 1994.]

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

SECTION 1. Section 40100 of the Health and Safety Code is amended and renumbered to read:

40100.5. (a) On and after July 1, 1994, the membership of the governing board of each county district, including any district formed on or after that date, shall include (1) one or more members who are mayors, city council members, or both, and (2) one or more members who are county supervisors.

(b) The number of those members and their composition shall be determined jointly by the county and the cities within the district, and shall be approved by the county, and by a majority of the cities which contain a majority of the population in the incorporated area of the district.

(c) The governing board shall reflect, to the extent feasible and practicable, the geographic diversity of the district and the variation of population between the cities in the district.

(d) The members of the governing board who are mayors or city council members shall be selected by the city selection committee. The members of the governing board who are county supervisors shall be selected by the county.

(e) This section does not apply to any district in which the population of the incorporated area of the county is 35 percent or less of the total county population, as determined by the district on June 30, 1994, or to a county district having a population of more than 2,500,000 as of June 30, 1990.

(f) If a district fails to comply with subdivisions (a) and (b), the membership of the governing board shall be determined as follows:

(1) In districts in which the population in the incorporated areas represents between 36 and 50 percent of the total county population, one-third of the members of the governing board shall be mayors or city council members, and two-thirds shall be county supervisors.

(2) In districts in which the population in the incorporated areas represents more than 50 percent of the total county population, one-half of the members of the governing board shall be mayors or city council members, and one-half shall be county supervisors.

(3) The number of those members shall be determined as provided in subdivision (b) and the members shall be selected pursuant to subdivision (d).

(4) For purposes of paragraphs (1) and (2), if any number which is not a whole number results from the application of the term "one-third," "one-half," or "two-thirds," the number of county supervisors shall be increased to the nearest integer, and the number of mayors or city council members decreased to the nearest integer.

SEC. 2. Section 40100 is added to the Health and Safety Code, to read:

40100. Except as provided in Section 40100.5, a county board of supervisors shall be ex officio the county district board of the county.

SEC. 3. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to clarify the intent of the Legislature in the enactment of Chapter 961 of the Statutes of 1993 and to ensure the continuing authority of the board of supervisors to act as the governing board of county air pollution control districts in which the population of the incorporated area is 35 percent or less of the total population on June 30, 1994, and of county districts having a population of more than 2,500,000 as of June 30, 1990, it is necessary that this act take effect immediately.

CHAPTER 4

An act relating to victims of crime, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor January 27, 1994. Filed with
Secretary of State January 28, 1994.]

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

SECTION 1. The Legislature hereby finds and declares its intent that the State Board of Control be provided with the resources necessary to address a current deficiency in the Restitution Fund so that crime victims can be compensated for the pecuniary losses they suffer as a direct result of the crime for which no other source of reimbursement is available.

SEC. 2. The Legislature further finds and declares that the demonstrated decline in revenues available in the 1993-94 fiscal year for allocation to the State Penalty Fund has seriously jeopardized the solvency of that fund, and therefore the ability to provide critical services to victims of crime. It is the intent of the Legislature that victim and related services be continued without interruption at acceptable levels during the current fiscal year, and further that an appropriation from the General Fund for this purpose is urgently needed.

SEC. 3. The sum of forty-five million nine hundred thousand dollars (\$45,900,000) is hereby appropriated from the General Fund for allocation as follows:

(a) Forty-four million dollars (\$44,000,000) for deposit into the Restitution Fund for the payment of claims pursuant to subdivision (b) of Section 13967 of the Government Code.

(b) One million nine hundred thousand dollars (\$1,900,000) for deposit into the Victim-Witness Assistance Fund for the 1993-94 fiscal year, to be used in accordance with the requirements of Section 13835.7 of the Penal Code.

SEC. 4. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to ensure the continued solvency of the Victim-Witness Assistance Fund through the end of the current fiscal year and in order for the State Board of Control to pay approved victims of crime claims and end hardship to claimants and service providers as quickly as possible, it is necessary for this act to take effect immediately.

CHAPTER 5

An act to amend Section 19533 of, and to add Sections 19440.5, 19613, and 19613.1 to, the Business and Professions Code, relating to horseracing, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor February 10, 1994. Filed with
Secretary of State February 10, 1994.]

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

SECTION 1. Section 19440.5 is added to the Business and Professions Code, to read:

19440.5. An annual audit shall be conducted of the financial books and records of the horsemen's organizations, including any subsidiaries of the horsemen's organizations, by a nationally recognized accounting firm as follows:

(a) With respect to pension funds received by those organizations pursuant to Sections 19533, 19613, and 19613.1, the audit shall be conducted within 90 days of the close of the fund's business year. The audit shall cover the period of time since the last audit, and a copy thereof shall be filed with the board.

(b) With respect to administrative funds and welfare funds received pursuant to Sections 19533, 19606.5, 19613, and 19641, the audit shall be conducted within 90 days of the close of the fund's business year. The audit shall cover the period of time since the last audit, and a copy thereof shall be filed with the board.

(c) The horsemen's organizations shall bear the cost of the audit.

SEC. 2. Section 19533 of the Business and Professions Code, as amended by Chapter 97 of the Statutes of 1993, is amended to read:

19533. (a) Any license granted to an association other than a fair shall be only for one type of racing, thoroughbred, harness, or quarter horse racing as the case may be, except that the board may authorize the entering of thoroughbred and Appaloosa horses in quarter horse races at a distance not exceeding five furlongs at quarter horse meetings, mixed breed meetings, and fair meetings. If the board authorizes the entering of thoroughbred or Appaloosa horses in quarter horse races, the following conditions shall be met:

(1) Any race written for participation by quarter horses, Appaloosas, and thoroughbreds shall be written as quarter horse preferred.

(2) The number of races written as quarter horse preferred at a distance exceeding 870 yards shall not exceed more than three races per program without the consent of the quarter horse horsemen's organization contracting with the association.

(3) More than one-half of the races on any program shall be written for quarter horses at a distance not to exceed 550 yards, unless the consent of the quarter horse horsemen's organization is received.

(4) Mixed races with Appaloosa and quarter horses may only be written with the consent of the quarter horse horsemen's organization contracting with the association.

(b) The association that conducts the meeting shall pay to the horsemen's organization representing thoroughbred horsemen an amount for a pension plan for backstretch personnel to be administered by that horsemen's organization equivalent to 1 percent of the amount available to thoroughbred horses for purses. The remainder of the portion shall be distributed as purses. Any redistributable money paid to the board pursuant to Section 19641, which is paid to a welfare fund established by a horsemen's organization from races with both thoroughbred and quarter horses, shall be divided pro rata between the two welfare funds based on the number of thoroughbreds and quarter horses in the race.

(c) (1) Notwithstanding any other provision of law, any association licensed to conduct quarter horse racing may apply to the board for, and the board shall grant, authority to conduct thoroughbred racing as part of its racing program if all of the following conditions are met:

(A) The thoroughbred races are for a claiming price of not more than five thousand dollars (\$5,000), and at a distance of four and one-half furlongs or less. The races may not be stakes, allowance races, or maiden allowance races.

(B) More than one-half of the races on any program shall be written for quarter horses at a distance not to exceed 550 yards, unless the consent of the quarter horse horsemen's organization is received.

(C) The consent of the quarter horse horsemen's organization contracting with the association is obtained with respect to the inclusion of thoroughbred racing.

(2) The quarter horse racing association conducting thoroughbred racing pursuant to this subdivision shall pay to the horsemen's organization representing thoroughbred horsemen an amount for a pension plan for backstretch personnel to be administered by that horsemen's organization equivalent to 1 percent of the amount available to thoroughbred horses for purses. The remainder of the portion shall be distributed as purses. The quarter horse racing association shall also deduct the appropriate amount to comply with subdivision (a) of Section 19617.2 for distribution to the thoroughbred official registering agency.

SEC. 3. Section 19613 is added to the Business and Professions Code, to read:

19613. (a) Except as provided in subdivision (b) and Section 19613.1, the portion deducted for purses pursuant to this chapter shall be paid to or for the benefit of the horsemen at the racing meeting.

(b) Any association conducting a fair racing meeting or conducting a mixed breed racing meeting shall pay to any thoroughbred horsemen's organizations contracting with an association for a fair racing meeting or participating in mixed breed racing meetings, 1 percent of the portion deducted for purses for welfare funds, to be administered by the thoroughbred horsemen's organizations.

(c) This section shall become operative on January 1, 1995.

SEC. 4. Section 19613.1 is added to the Business and Professions Code, to read:

19613.1. (a) Any association that conducts a thoroughbred racing meeting, a fair racing meeting, or a mixed breed racing meeting shall pay an amount equivalent to 1 percent of the portion deducted for purses to the thoroughbred horsemen's organization contracting with the association with respect to the conduct of the racing meeting for a pension plan for backstretch personnel to be administered by the horsemen's organization.

(b) This section shall become operative on January 1, 1995.

SEC. 5. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order for the changes made by this act to take effect during the 1994 racing season, it is necessary that this act take effect immediately.

CHAPTER 6

An act to amend Sections 1063, 1063.1, 1063.2, 1063.4, 1063.5, 1063.7, 1067.04, 1067.05, and 10112.5 of, to add Section 1067.055 to, and to repeal and add Section 1063.3 of, the Insurance Code, relating to insurance, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor February 10, 1994. Filed with
Secretary of State February 10, 1994.]

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

SECTION 1. Section 1063 of the Insurance Code is amended to read:

1063. (a) Within 60 days after the original effective date of this article, all insurers, including reciprocal insurers, admitted to transact insurance in this state of any or all of the following classes only in accordance with the provisions of Chapter 1 (commencing with Section 100) of Part 1 of this division: fire (see Section 102), marine (see Section 103), plate glass (see Section 107), liability (see Section 108), workers' compensation (see Section 109), common carrier liability (see Section 110), boiler and machinery (see Section 111), burglary (see Section 112), sprinkler (see Section 114), team and vehicle (see Section 115), automobile (see Section 116), aircraft (see Section 118), and miscellaneous (see Section 120), shall establish the California Insurance Guarantee Association (the association); provided, however, this article shall not apply to the following classes or kinds of insurance: life and annuity (see Section 101), title (see Section 104), fidelity or surety including fidelity or surety bonds, or any other bonding obligations (see Section 105), disability or health (see Section 106), credit (see Section 113), mortgage (see Section 117), mortgage guaranty, insolvency or legal (see Section 119), financial guaranty or other forms of insurance offering protection against investment risks (see Section 124), the ocean marine portion of any marine insurance or ocean marine coverage under any insurance policy including the following: the Jones Act (46 U.S.C. Sec. 688), the Longshore and Harbor Workers' Compensation Act (33 U.S.C. Sec. 901 et seq.), or any other similar federal statutory enactment, or any endorsement or policy affording protection and indemnity coverage, or reinsurance as defined in Section 620, or fraternal fire insurance written by associations organized and operating under Sections 9080 to 9103, inclusive. Any insurer admitted to transact only those classes or kinds of insurance excluded from this article shall not be a member insurer of the association. Each such insurer, including the State Compensation Insurance Fund, as a condition of its authority to transact insurance in this state, shall participate in the association whether established voluntarily or by order of the commissioner after the elapse of 60 days following the

original effective date of this article in accordance with rules to be established as provided in this article. It shall be the purpose of such association to provide for each member insurer insolvency insurance as defined in Section 119.5.

(b) The association shall be managed by a board of governors, composed of nine member insurers, each of which shall be appointed by the commissioner to serve initially for terms of one, two, or three years and thereafter for three-year terms so that three terms shall expire each year on December 31, and shall continue in office until his or her successor shall be appointed and qualified. At least five members of the board shall be domestic insurers. At least three such members shall be stock insurers, and at least three shall be nonstock insurers. The nine members shall be representative, as nearly as possible, of the classes of insurance and of the kinds of insurers covered by this article. In case of a vacancy for any reason on the board, the commissioner shall appoint a member insurer to fill the unexpired term.

(c) The association shall adopt a plan of operations, and any amendments thereto, not inconsistent with the provisions of this article, necessary to assure the fair, reasonable, and equitable manner of administering the association, and to provide for such other matters as are necessary or advisable to implement the provisions of this article. The plan of operations and any amendments thereto shall be subject to prior written approval by the commissioner. All members of the association shall adhere to the plan of operation.

(d) If for any reason the association fails to adopt a suitable plan of operation within 90 days following the original effective date of this article, or if at any time thereafter the association fails to adopt suitable amendments to the plan of operation, the commissioner shall after hearing adopt and promulgate such reasonable rules as are necessary or advisable to effectuate the provisions of this chapter. Such rules shall continue in force until modified by the commissioner after hearing or superseded by a plan of operation, adopted by the association and approved by the commissioner.

(e) In accordance with its plan of operation, the association may designate one or more of its members as a servicing facility, but a member may decline such designation. Each servicing facility shall be reimbursed by the association for all reasonable expenses it incurs and for all payments it makes on behalf of the association. Each servicing facility shall have authority to perform any functions of the association that the board of governors lawfully may delegate to it and to do so on behalf of and in the name of the association. The designation of servicing facilities shall be subject to the approval of the commissioner.

(f) The association shall have authority to borrow funds when necessary to effectuate the provisions of this article.

(g) The association, either in its own name or through servicing facilities, may be sued and may use the courts to assert or defend any

rights the association may have by virtue of this article as reasonably necessary to fully effectuate the provisions thereof.

SEC. 2. Section 1063.1 of the Insurance Code is amended to read:

1063.1. As used in this article:

(a) "Member insurer" means an insurer required to be a member of the association in accordance with the provisions of subdivision (a) of Section 1063, except and to the extent that the insurer is participating in an insolvency program adopted by the United States government.

(b) "Insolvent insurer" means a member insurer against which an order of liquidation or receivership with a finding of insolvency has been entered by a court of competent jurisdiction.

(c) (1) "Covered claims" means the obligations of an insolvent insurer, including the obligation for unearned premiums, (i) imposed by law and within the coverage of an insurance policy of the insolvent insurer; (ii) which were unpaid by the insolvent insurer; (iii) which are presented as a claim to the liquidator in this state or to the association on or before the last date fixed for the filing of claims in the domiciliary liquidating proceedings; (iv) which were incurred prior to the date coverage under the policy terminated and prior to, on, or within 30 days after the date the liquidator was appointed; (v) for which the assets of the insolvent insurer are insufficient to discharge in full; (vi) in the case of a policy of workers' compensation insurance, to provide workers' compensation benefits under the workers' compensation law of this state; and (vii) in the case of other classes of insurance if the claimant or insured is a resident of this state at the time of the insured occurrence, or the property from which the claim arises is permanently located in this state.

(2) "Covered claims" shall not include any obligations arising from the following:

(i) Life, annuity, health, or disability insurance.

(ii) Mortgage guaranty, financial guaranty, or other forms of insurance offering protection against investment risks.

(iii) Fidelity or surety insurance including fidelity or surety bonds, or any other bonding obligations.

(iv) Credit insurance.

(v) Title insurance.

(vi) Ocean marine insurance or ocean marine coverage under any insurance policy including claims arising from the following: the Jones Act (46 U.S.C.A. Sec. 688), the Longshore and Harbor Workers' Compensation Act (33 U.S.C.A. Sec. 901 et seq.), or any other similar federal statutory enactment, or any endorsement or policy affording protection and indemnity coverage.

(vii) Any claims servicing agreement or insurance policy providing retroactive insurance of a known loss or losses, except a special excess workers' compensation policy issued pursuant to paragraph (2) of subdivision (a) of Section 3702.8 of the Labor Code which cover all or any part of workers' compensation liabilities of an

employer that was previously issued a certificate of consent to self-insure pursuant to subdivision (b) of Section 3700 of the Labor Code.

(3) "Covered claims" shall not include any obligations of the insolvent insurer arising out of any reinsurance contracts, nor any obligations incurred after the expiration date of the insurance policy or after the insurance policy has been replaced by the insured or canceled at the insured's request, or after the insurance policy has been canceled by the association as provided in this chapter, or after the insurance policy has been canceled by the liquidator, nor any obligations to any state or to the federal government.

(4) "Covered claims" shall not include any obligations to insurers, insurance pools, or underwriting associations, nor their claims for contribution, indemnity, or subrogation, equitable or otherwise, except as otherwise provided in this chapter.

No insurer, insurance pool, or underwriting association may maintain, in its own name or in the name of its insured, any claim or legal action against the insured of the insolvent insurer for contribution, indemnity or by way of subrogation, except insofar as, and to the extent only, that the claim exceeds the policy limits of the insolvent insurer's policy. In those claims or legal actions, the insured of the insolvent insurer shall be entitled to a credit or setoff in the amount of the policy limits of the insolvent insurer's policy, or in the amount of such limits remaining, where those limits have been diminished by the payment of other claims.

(5) "Covered claims," except in cases involving a claim for workers' compensation benefits or for unearned premiums, shall not include any claim in an amount of one hundred dollars (\$100) or less, nor that portion of any claim which is in excess of any applicable limits provided in the insurance policy issued by the insolvent insurer.

(6) "Covered claims" shall not include that portion of any claim, other than a claim for workers' compensation benefits, which is in excess of five hundred thousand dollars (\$500,000).

(7) "Covered claims" shall not include any amount sought as a return of a premium under any policy providing retroactive insurance of a known loss or losses.

(8) "Covered claims" shall not include any amount awarded as punitive or exemplary damages.

(9) "Covered claims" shall not include (i) any claim to the extent it is covered by any other insurance of a class covered by the provisions of this article available to the claimant or insured nor (ii) any claim by any person other than the original claimant under the insurance policy in his or her own name, his or her assignee as the person entitled thereto under a premium finance agreement as defined in Section 673 and entered into prior to insolvency, his or her executor, administrator, guardian or other personal representative or trustee in bankruptcy and shall not include any claim asserted by an assignee or one claiming by right of subrogation, except as

otherwise provided in this chapter.

(10) "Covered claims" shall not include any obligations arising out of the issuance of an insurance policy written by the separate division of the State Compensation Insurance Fund pursuant to the provisions of Sections 11802 and 11803.

(11) "Covered claims" shall not include any obligations of the insolvent insurer arising from any policy or contract of insurance issued or renewed prior to the insolvent insurer's admission to transact insurance in the State of California.

(12) "Covered claims" shall not include surplus deposits of subscribers as defined in Section 1374.1.

(d) "Admitted to transact insurance in this state" means an insurer possessing a valid certificate of authority issued by the California Department of Insurance.

(e) "Affiliate" means a person who directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with an insolvent insurer on December 31 of the year next preceding the date the insurer becomes an insolvent insurer.

(f) "Control" means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a person, whether through the ownership of voting securities, by contract other than a commercial contract for goods or nonmanagement services, or otherwise, unless the power is the result of an official position with or corporate office held by the person. Control shall be presumed to exist if any person, directly or indirectly, owns, controls, holds with the power to vote, or holds proxies representing, 10 percent or more of the voting securities of any other person. This presumption may be rebutted by showing that control does not in fact exist.

(g) "Claimant" means any insured making a first party claim or any person instituting a liability claim; provided that no person who is an affiliate of the insolvent insurer may be a claimant.

(h) "Ocean marine insurance" includes marine insurance as defined in Section 103, except for inland marine insurance, as well as any other form of insurance, regardless of the name, label, or marketing designation of the insurance policy, which insures against maritime perils or risks and other related perils or risks, which are usually insured against by traditional marine insurance such as hull and machinery, marine builders' risks, and marine protection and indemnity. Those perils and risks insured against include, without limitation, loss, damage, or expense or legal liability of the insured arising out of or incident to ownership, operation, chartering, maintenance, use, repair, or construction of any vessel, craft or instrumentality in use in ocean or inland waterways, including liability of the insured for personal injury, illness, or death for loss or damage to the property of the insured or another person.

SEC. 3. Section 1063.2 of the Insurance Code is amended to read:
1063.2. (a) The association shall pay and discharge covered

claims and in connection therewith pay for or furnish loss adjustment services and defenses of claimants when required by policy provisions. It may do so either directly by itself or through a servicing facility or through a contract for reinsurance and assumption of liabilities by one or more member insurers or through a contract with the liquidator, upon terms satisfactory to the association and to the liquidator, under which payments on covered claims would be made by the liquidator using funds provided by the association.

(b) The association shall be a party in interest in all proceedings involving a covered claim, and shall have the same rights as the insolvent insurer would have had if not in liquidation, including, but not limited to, the right to: (1) appear, defend, and appeal a claim in a court of competent jurisdiction; (2) receive notice of, investigate, adjust, compromise, settle, and pay a covered claim; and (3) investigate, handle, and deny a noncovered claim. The association shall have no cause of action against the insureds of the insolvent insurer for any sums it has paid out, except as provided by this article.

(c) (1) If damages against uninsured motorists are recoverable by the claimant from his or her own insurer, the applicable limits of the uninsured motorists coverage shall be a credit against a covered claim payable under this article. Any person having a claim that may be recovered under more than one insurance guaranty association or its equivalent shall seek recovery first from the association of the place of residence of the insured, except that if it is a first-party claim for damage to property with a permanent location, he or she shall seek recovery first from the association of the permanent location of the property, and if it is a workers' compensation claim, he or she shall seek recovery first from the association of the residence of the claimant. Any recovery under this article shall be reduced by the amount of recovery from any other insurance guaranty association or its equivalent. A member insurer may recover in subrogation from the association only one-half of any amount paid by such insurer under uninsured motorist coverage for bodily injury or wrongful death (and nothing for a payment for anything else), in those cases where the injured person insured by such an insurer has proceeded under his or her uninsured motorist coverage on the ground that the tortfeasor is uninsured as a result of the insolvency of his or her liability insurer (an insolvent insurer as defined in this article), provided that such member insurer shall waive all rights of subrogation against such tortfeasor. Any amount paid a claimant in excess of the amount authorized by this section may be recovered by action brought by the association.

(2) Any claimant having collision coverage on a loss which is covered by the insolvent company's liability policy shall first proceed against his or her collision carrier. Neither that claimant nor the collision carrier, if it is a member of the association, shall have the right to sue or continue a suit against the insured of the insolvent insurance company for such collision damage.

(d) The association shall have the right to recover from any person who is an affiliate of the insolvent insurer and whose liability obligations to other persons are satisfied in whole or in part by payments made under this article the amount of any covered claim and allocated claims expense paid on behalf of that person pursuant to this article.

(e) Any person having a claim or legal right of recovery under any governmental insurance or guaranty program which is also a covered claim, shall be required to first exhaust his or her right under the program. Any amount payable on a covered claim shall be reduced by the amount of any recovery under the program.

(f) "Covered claims" for unearned premium by lenders under insurance premium finance agreements as defined in Section 673 shall be computed as of the earliest cancellation date of the policy pursuant to Section 673 or subdivision (g) of this section.

(g) "Covered claims" shall not include any judgments against or obligations or liabilities of the insolvent insurer or the commissioner, as liquidator, or otherwise resulting from alleged or proven torts, nor shall any default judgment or stipulated judgment against the insolvent insurer, or against the insured of the insolvent insurer, be binding against the association.

(h) "Covered claims" shall not include any loss adjustment expenses, including adjustment fees and expenses, attorney fees and expenses, court costs, interest, and bond premiums, incurred prior to the appointment of a liquidator.

SEC. 4. Section 1063.3 of the Insurance Code is repealed.

SEC. 5. Section 1063.3 is added to the Insurance Code, to read:

1063.3. To aid in the detection and prevention of member insurer insolvencies:

(a) The board may, upon majority vote, make recommendations to the commissioner on matters pertaining to regulation for solvency.

(b) The board may prepare a report on the history and causes of any member insurer insolvency in which the association was obligated to pay covered claims, based on the information available to the association, and submit that report along with any recommendations resulting therefrom to the commissioner.

SEC. 6. Section 1063.4 of the Insurance Code is amended to read:

1063.4. (a) Insureds entitled to the protection of this article shall cooperate with the association in accordance with their policies in the same manner as they would have been required to cooperate with their insurer if it were not in liquidation and shall be deemed to have assigned to the association any right to make claim against the liquidator for a refund of unearned premium for the period of coverage provided by the association beginning on the date of the order of liquidation to the date of expiration or cancellation.

(b) Any insured or claimant entitled to the benefits of this article who elects to proceed under this article shall be deemed to have assigned to the association his or her rights against the estate of the insolvent insurer.

SEC. 7. Section 1063.5 of the Insurance Code is amended to read:

1063.5. Each time an insurer becomes insolvent then, to the extent necessary to secure funds for the association for payment of covered claims of that insolvent insurer and also for payment of reasonable costs of adjusting the claims, the association shall collect premium payments from its member insurers sufficient to discharge its obligations. The association shall allocate its claim payments and costs, incurred or estimated to be incurred, to one or more of the following categories: (a) workers' compensation claims; (b) homeowners' claims, and automobile claims, which shall include: automobile material damage, automobile liability (both personal injury and death and property damage), medical payments and uninsured motorist claims; and (c) claims other than workers' compensation, homeowners', and automobile, as above defined. Separate premium payments shall be required for each category. The premium payments for each category shall be used to pay the claims and costs allocated to that category. The rate of premium charged shall be a uniform percentage of net direct written premium in the preceding calendar year applicable to that category. The rate of premium charges to each member in the appropriate categories shall initially be based on the written premium of each insurer as shown in the latest year's annual financial statement on file with the commissioner. The initial premium shall be adjusted by applying the same rate of premium charge as initially used to each insurer's written premium as shown on the annual statement for the second year following the year in which the initial premium charge is made. The difference between the initial premium charge and the adjusted premium charge shall be charged or credited to each member insurer by the association as soon as practical after the filing of the annual statements of the member insurers with the commissioner for the year on which the adjusted premium is based. In the case of an insurer that was a member insurer when the initial premium charge was made and that paid the initial assessment but is no longer a member insurer at the time of the adjusted premium charge by reason of its insolvency or its withdrawal from the state and surrender of its certificate of authority to transact insurance in this state, any credit accruing to that insurer shall be refunded to it by the association. "Net direct written premiums" shall mean the amount of gross premiums, less return premiums, received in that calendar year upon business done in this state, other than premiums received for reinsurance. In cases of a dispute as to the amount of any such net direct written premium between the association and one of its members the written decision of the commissioner shall be final. The premium charged to any member insurer for any of the three categories or a category established by the association shall not be more than 1 percent of the net direct premium written in that category in this state by that member insurer. The association may exempt or defer, in whole or in part, the premium charge of any member insurer, if the premium charge would cause the member

insurer's financial statement to reflect an amount of capital or surplus less than the minimum amounts required for a certificate of authority by any jurisdiction in which the member insurer is authorized to transact insurance. However, during the period of deferment, no dividends shall be paid to shareholders or policyholders by the company whose premium charge was deferred. Deferred premium charges shall be paid when the payment will not reduce capital or surplus below required minimums. These payments shall be credited against future premium charges to those companies receiving larger premium charges by virtue of the deferment. After all covered claims of the insolvent insurer and expenses of administration have been paid, any unused premiums and any reimbursements or claims dividends from the liquidator remaining in any category shall be retained by the association and applied to reduce future premium charges in the appropriate category. However, an insurer which ceases to be a member of the association, other than an insurer that has become insolvent or has withdrawn from the state and has surrendered its certificate of authority following an initial assessment that is entitled to a refund based upon an adjusted assessment as provided above in this section, shall have no right to a refund of any premium previously remitted to the association. The commissioner may suspend or revoke the certificate of authority to transact business in this state of a member insurer which fails to pay a premium when due and after demand has been made.

Interest at a rate equal to the current federal reserve discount rate plus 2½ percent per annum shall be added to the premium of any member insurer which fails to submit the premium requested by the association within 30 days after such mailing request. However, in no event shall the interest rate exceed the legal maximum.

SEC. 8. Section 1063.7 of the Insurance Code is amended to read:

1063.7. When a liquidator, domiciliary or ancillary, is appointed in this state for any member insurer, the liquidator shall promptly give notice of his or her appointment and a brief description of the contents of this article and of the nature and functions of the association by prepaid first-class mail, to: (a) all persons known or reasonably expected to have or be interested in claims against the insurer, at the last known address within this state; (b) all insureds of the insurer, at the last known address within this state, accompanied by a notice of the date of termination of insurance; and (c) the board of governors of the association. Such notice may, but need not be, combined with the notice provided for in Section 1021. In the situations where notice is being provided by an ancillary liquidator, notice is only required to the extent information is available to provide the notice. The ancillary liquidator may also rely on the notice provided by the domiciliary liquidator to satisfy the notice requirements of this section. The liquidator may also require that producers of record of the insurer give prompt written notice of the same information, by first-class mail, to their insureds at the

last known address within this state. The liquidator shall also promptly publish such notice in a newspaper of general circulation in the county where the insurer had its principal office in this state not less than once per week, for four weeks, and by publication elsewhere in this state as the court shall direct.

SEC. 9. Section 1067.04 of the Insurance Code is amended to read:

1067.04. As used in this article:

(a) "Account" means any of the three accounts created under Section 1067.05.

(b) "Association" means the California Life and Health Insurance Guarantee Association created pursuant to Section 1067.05.

(c) "Commissioner" means the Insurance Commissioner.

(d) "Contractual obligation" means any obligation under a policy or contract, or certificate under a group policy or contract, or portion thereof, for which coverage is provided under Section 1067.02.

(e) "Covered policy" means any policy or contract within the scope of this article under Section 1067.02.

(f) "Impaired insurer" means a member insurer that, after October 1, 1990, is not an insolvent insurer, and (1) is deemed by the commissioner to be potentially unable to fulfill its contractual obligations or (2) is placed under an order of rehabilitation or conservation by a court of competent jurisdiction.

(g) "Health insurance" means the class of insurance described as disability insurance in Section 106.

(h) "Insolvent insurer" means a member insurer that, after October 1, 1990, is placed under an order of liquidation by a court of competent jurisdiction with a finding of insolvency.

(i) "Member insurer" means any insurer licensed or which holds a certificate of authority to transact in this state any kind of insurance for which coverage is provided under Section 1067.02 and includes any insurer whose license or certificate of authority in this state may have been suspended, revoked, not renewed, or voluntarily withdrawn, but does not include any of the following:

(1) A fraternal benefit society.

(2) A mandatory state pooling plan.

(3) A mutual assessment company or any entity that operates on an assessment basis.

(4) An insurance exchange.

(5) A nonprofit hospital service plan.

(6) A health care service plan.

(7) A grants and annuities society holding a certificate of authority under Section 11520.

(8) Any entity similar to any of the above.

(j) "Moody's Corporate Bond Yield Average" means the Monthly Average Corporates as published by Moody's Investors Service, Inc., or any successor thereto.

(k) "Person" means any individual, corporation, partnership, association, or voluntary organization.

(l) "Premiums" means amounts received on covered policies or contracts less premiums, considerations, and deposits returned thereon, and less dividends and experience credits thereon. "Premiums" does not include any amounts received for any policies or contracts or for the portions of any policies or contracts for which coverage is not provided under subdivision (b) of Section 1067.02 except that assessable premium shall not be reduced on account of paragraph (2) of subdivision (c) of Section 1067.02 relating to limitations with respect to any one individual, any one participant, and any one contractholder; provided that "premiums" shall not include any premiums in excess of five million dollars (\$5,000,000) with respect to multiple policies of individual life insurance issued to any one owner, whether the policyowner is an individual, firm, corporation, or other legal entity, and whether the persons insured are officers, employees, or other persons in whose lives the policyowner has an insurable interest, regardless of the number of policies held by the owner.

(m) "Resident" means any person who resides in this state at the time a member insurer is determined to be an impaired or insolvent insurer and to whom a contractual obligation is owed. A person may be a resident of only one state, which in the case of a person other than a natural person shall be its principal place of business.

(n) "Supplemental contract" means any agreement entered into for the distribution of policy or contract proceeds.

(o) "Unallocated annuity contract" means any annuity contract or group annuity certificate which is not issued to and owned by an individual, except to the extent of any annuity benefits guaranteed to an individual by an insurer under that contract or certificate, and except to the extent allowed in subparagraph (D) of paragraph (2) of subdivision (b) of Section 1067.02.

SEC. 10. Section 1067.05 of the Insurance Code is amended to read:

1067.05. (a) A nonprofit legal entity to be known as the California Life and Health Insurance Guarantee Association shall exist as a result of the merger of the Robbins-Seastrand Health Insurance Guaranty Association with and into the California Life Insurance Guaranty Association pursuant to Section 1067.055. All member insurers shall be and remain members of the association as a condition of their authority to transact insurance in this state. The association shall perform its functions under the plan of operation established and approved under Section 1067.09 and shall exercise its powers through a board of directors established under Section 1067.06. For purposes of administration and assessment, the association shall maintain the following three accounts:

- (1) The life insurance account.
- (2) The annuity account.
- (3) The health insurance account.

(b) The association shall come under the immediate supervision of the commissioner and shall be subject to the applicable provisions

of the insurance laws of this state. Meetings or records of the association may be opened to the public upon majority vote of the board of directors of the association.

SEC. 11. Section 1067.055 is added to the Insurance Code, to read: 1067.055. In order to provide for the merger of the Robbins-Seastrand Health Insurance Guaranty Association with and into the California Life Insurance Guaranty Association, the following shall apply:

(a) Notwithstanding the repeal of the California Life Insurance Guaranty Association Act and the Robbins-Seastrand Health Insurance Guaranty Association Act, the Robbins-Seastrand Health Insurance Guaranty Association shall, effective immediately prior to that repeal, be merged with and into the California Life Insurance Guaranty Association, which shall then be known as the California Life and Health Insurance Guarantee Association.

(b) Notwithstanding the repeal of the California Life Insurance Guaranty Association Act and the Robbins-Seastrand Health Insurance Guaranty Association Act, but subject to the last sentence of this subdivision, all of the following shall apply:

(1) The association shall succeed, without other transfer, to all the rights, powers, privileges, assets, and property of each of the California Life Insurance Guaranty Association and the Robbins-Seastrand Health Insurance Guaranty Association, which for the purposes of this section shall be referred collectively as the merging associations. The association shall be subject to all debts, obligations, and liabilities of each merging association in the same manner as if the association had itself incurred them, in each case under the law in effect prior to the effective date of this article, as those rights, powers, privileges, obligations, debts, and liabilities may be amended and restated in this article, including, without limitation, the extension of coverage with respect to unallocated contracts as provided in subparagraph (D) of paragraph (2) of subdivision (b) of Section 1067.02, and in each case with respect to member insurers that became impaired insurers or insolvent insurers prior to the effective date of this article and after October 1, 1990. Without limiting the generality of the foregoing, the association shall succeed to (A) all collected, uncollected, or unbilled assessments of the merging associations, (B) all cash, bank accounts, and accrued interest of the merging associations, (C) all rights, powers, privileges, and obligations of the merging associations under any contracts or commitments of the merging association, (D) all subrogations, assignments, and creditor rights and interests of the merging associations, and (E) all rights, powers, privileges, and obligations of each of the trusts established on December 31, 1993, by each of the merging associations as settlor.

(2) All rights of creditors and all liens upon the property of each of the merging associations shall be preserved unimpaired, provided that the liens upon property of a merging association shall be limited to the property affected thereby immediately prior to the effective

date of this article.

(3) Any action or proceeding pending by or against a merging association may be prosecuted to judgment, which shall bind the association, or the association may be proceeded against or be substituted in its place.

Notwithstanding the other provisions of this subdivision, all debts, obligations, and liabilities of a merging association that were to be paid out of a specified account of the merging association shall be paid solely out of the assets of that merging association that were available to that merging association to pay those debts and liabilities, including, without limitation, collected, uncollected, or unbilled assessments, and any and all subrogation, assignment, and creditor rights, or out of assets in the same type of account of the association.

(c) Notwithstanding any other provision to the contrary in this article:

(1) It is the intent of this section to preserve rights, powers, privileges, assets, property, debts, obligations, and liabilities of each of the merging associations, and not to provide contractholders and policyholders, or their respective payees, beneficiaries, or assignees, with duplicative rights, powers, privileges, assets, or property.

(2) Accordingly, no contractholder and policyholder, and no contractholder's or policyholder's payee, beneficiary, or assignee, shall be entitled to (A) a recovery from the association that is duplicative of a previous recovery from either of the merging associations, or the trust established by either merging association, or (B) a recovery from the association on account of a claim against either of the merging associations where the association is liable with respect to a claim under the same policy or contract under this article.

SEC. 12. Section 10112.5 of the Insurance Code is amended to read:

10112.5. (a) Notwithstanding any other provision of law, every policy or certificate of disability insurance covering hospital, medical, or surgical expenses marketed, issued, or delivered to a resident of this state, regardless of the situs of the contract or master group policyholder, shall be subject to all provisions of this code.

(b) Subdivision (a) shall not apply to a policy of disability insurance that covers hospital, medical, or surgical expenses and that is issued outside of California to an employer whose principle place of business and majority of employees are located outside of California.

(c) Nothing in subdivision (b) shall be construed to limit the applicability of any other provision of this code to any policy of disability insurance that covers hospital, medical, or surgical expenses and that is issued outside of California to an employer whose principle place of business and majority of employees are located outside of California.

SEC. 13. It is the intent of the Legislature in enacting those portions of this act dealing with the California Life and Health

Insurance Guarantee Association to implement the intent of the Legislature at the time it enacted Chapter 974 of the Statutes of 1993 to (a) merge the Robbins-Seastrand Health Insurance Guaranty Association and the California Life Insurance Guaranty Association, with the surviving entity to be known as the California Life and Health Insurance Guarantee Association, (b) to provide that the California Life and Health Insurance Guarantee Association will have the same purposes as California Life Insurance Guaranty Association and the Robbins-Seastrand Health Insurance Guaranty Association, and (c) to provide that the California Life and Health Insurance Guarantee Association will succeed to the rights and liabilities of the Robbins-Seastrand Health Insurance Guaranty Association and the California Life Insurance Guaranty Association.

This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

Chapter 974 of the Statutes of 1993 created the California Life and Health Insurance Guarantee Association without expressly providing for the orderly transition of operations and coverage. To remedy this potential defect, it is the intent of the Legislature to clarify that the California Life and Health Insurance Guarantee Association is the successor to the California Life Insurance Guaranty Association and the Robbins-Seastrand Health Insurance Guaranty Association. In order to ensure that policyholders of impaired or insolvent insurers are paid promptly and to clarify the rights and obligations of the association, it is necessary that this act take effect immediately.

CHAPTER 7

An act to amend Section 6 of Chapter 609 of the Statutes of 1993, relating to murder, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor February 23, 1994. Filed with
Secretary of State February 23, 1994.]

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

SECTION 1. Section 6 of Chapter 609 of the Statutes of 1993 is amended to read:

Sec. 6. Section 3 of this act affects an initiative statute and shall become effective only when submitted to, and approved by, the voters pursuant to subdivision (c) of Section 10 of Article II of the California Constitution.

SEC. 2. Notwithstanding any other law, Section 3 of Chapter 609 of the Statutes of 1993 shall be submitted by the Secretary of State to the voters at the June 7, 1994, primary election pursuant to

subdivision (c) of Section 10 of Article II of the California Constitution.

SEC. 3. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to correct a section reference made by Section 6 of Chapter 609 of the Statutes of 1993, it is necessary that this act take effect immediately.

CHAPTER 8

An act to amend Section 5101.2 of the Vehicle Code, relating to vehicles.

[Approved by Governor February 23, 1994. Filed with Secretary of State February 23, 1994.]

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

SECTION 1. Section 5101.2 of the Vehicle Code is amended to read:

5101.2. (a) Any person otherwise eligible under this article who is a firefighter may apply for special license plates for the vehicle under this article. Any license plates issued pursuant to this section shall be issued in accordance with Section 5060.

(b) The applicant shall, by satisfactory proof, show all of the following:

(1) The applicant is in good standing as an officer, an employee, or a member of a fire department or a fire service of the state, a county, a city, a district, or any other political subdivision of the state, whether in a volunteer, partly paid, or fully paid status.

(2) The applicant is regularly employed as a firefighter or regularly enrolled as a volunteer firefighter.

(3) The applicant's principal duties fall within the scope of active firefighting and any of the following activities:

- (A) Fire prevention service.
- (B) Fire training.
- (C) Hazardous materials abatement.
- (D) Arson investigation.
- (E) Emergency medical services.

(c) The special license plates issued under this section shall contain the words "California Firefighter" and shall run in a regular numerical series.

(d) In addition to the regular fees for an original registration, a renewal of registration, or a transfer of registration, the following special license plate fees shall be paid:

- (1) A fee of thirty-five dollars (\$35) for the initial issuance of the

special license plates. These special license plates shall be permanent and shall not be required to be replaced.

(2) A fee of twenty dollars (\$20) for each renewal of registration which includes the continued display of the special license plates.

(3) If the special license plates become damaged or unserviceable, a fee of thirty-five dollars (\$35) for the replacement of the special license plates, obtained from the department upon proper application therefor.

(4) A fee of fifteen dollars (\$15) for the transfer of the special license plates to another vehicle qualifying as a vehicle owned by a firefighter who has met the requirements set forth in subdivision (b).

(5) In addition, for the issuance of environmental license plates, as defined in Section 5103, with the special firefighter personal vehicle license plates and distinctive design or decal, the additional fees prescribed in Sections 5106 and 5108. The additional fees collected pursuant to this paragraph shall be deposited in the California Environmental License Plate Fund.

(e) Upon the death of a person issued special license plates pursuant to this section, the plates shall be returned to the department within 60 days after the death of the plateholder or upon the expiration of the vehicle registration, whichever occurs first.

(f) Except as provided in paragraph (5) of subdivision (d), the revenues derived from the additional special fees provided in this section, less costs incurred by the department pursuant to this section, shall, prior to January 1, 1999, be deposited in the California Firefighters' Memorial Fund established by Section 18518.2 of the Revenue and Taxation Code.

(g) Except as provided in paragraph (5) of subdivision (d), the revenues derived from the additional special fees provided in this section, less costs incurred by the department pursuant to this section, shall, on and after January 1, 1999, be deposited in the California Fire and Arson Training Fund established by Section 13159.10 of the Health and Safety Code.

CHAPTER 9

An act to amend Sections 6489 and 6490 of, and to repeal Section 6489.3 of, the Elections Code, relating to elections, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor February 23, 1994. Filed with
Secretary of State February 23, 1994.]

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

SECTION 1. Section 6489 of the Elections Code is amended to read:

6489. For the purposes of this article, "nomination documents"

means declaration of candidacy and nomination papers.

SEC. 2. Section 6489.3 of the Elections Code is repealed.

SEC. 3. Section 6490 of the Elections Code is amended to read:

6490. (a) No candidate's name shall be printed on the ballot to be used at the direct primary unless the following nomination documents are delivered for filing to the county elections official:

(1) Declaration of candidacy pursuant to Section 6491.

(2) Nomination papers signed by signers pursuant to Section 6494.

(b) The forms shall first be available on the 113th day prior to the direct primary election and shall be delivered not later than 5 p.m. on the 88th day prior to the direct primary.

(c) Upon the receipt of an executed nomination document, the county elections official shall give the person delivering the document a receipt, properly dated, indicating that the document was delivered to the county elections official.

(d) Notwithstanding Section 6490.5, upon request of a candidate, the county elections official shall provide the candidate with a declaration of candidacy. The county elections official shall not require a candidate to sign, file, or sign and file, a declaration of candidacy as a condition of receiving nomination papers.

SEC. 4. Notwithstanding Section 17610 of the Government Code, 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. If the statewide cost of the claim for reimbursement does not exceed one million dollars (\$1,000,000), reimbursement shall be made from the State Mandates Claims Fund. Notwithstanding Section 17580 of the Government Code, unless otherwise specified in this act, the provisions of this act shall become operative on the same date that the act takes effect pursuant to the California Constitution.

SEC. 5. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order for the changes in election procedures proposed by this bill to be in effect for the statewide primary election to be held on June 7, 1994, it is necessary that this bill take effect immediately.

CHAPTER 10

An act to amend, repeal, and add Sections 10153.4 and 10170.5 of the Business and Professions Code, relating to real estate, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor February 23, 1994. Filed with Secretary of State February 23, 1994.]

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

SECTION 1. Section 10153.4 of the Business and Professions Code is amended to read:

10153.4. (a) Every person who is required to comply with Section 10153.3 to obtain an original real estate salesperson license shall, prior to the issuance of the license, or within 18 months after issuance, submit evidence, satisfactory to the commissioner, of successful completion, at an accredited institution, of two of the courses listed in Section 10153.2, other than real estate principles, advanced legal aspects of real estate, advanced real estate finance, or advanced real estate appraisal.

(b) A salesperson who qualifies for a license pursuant to this section shall not be required for the first license renewal thereafter to complete the continuing education pursuant to Article 2.5 (commencing with Section 10170), except for the courses specified in subdivisions (a) and (b) of Section 10170.5.

(c) The salesperson license issued to an applicant who has satisfied only the requirements of Section 10153.3 at the time of issuance shall be automatically suspended effective 18 months after issuance if the licensee has failed to satisfy subdivision (a). The suspension shall not be lifted until the suspended licensee has submitted the required evidence of course completion and the commissioner has given written notice to the licensee of the lifting of the suspension.

(d) The original license issued to a salesperson shall clearly set forth the conditions of the license and shall be accompanied by a notice of the provisions of this section and of any regulations adopted by the commissioner to implement this section.

(e) The commissioner shall waive the requirements of this section for any person who presents evidence of admission to the State Bar of California, and the commissioner shall waive the requirement for any course for which an applicant has completed an equivalent course of study as determined under Section 10153.5.

This section shall remain in effect until January 1, 1996, and as of that date is repealed.

SEC. 2. Section 10153.4 is added to the Business and Professions Code, to read:

10153.4. (a) Every person who is required to comply with Section 10153.3 to obtain an original real estate salesperson license shall, prior to the issuance of the license, or within 18 months after

issuance, submit evidence, satisfactory to the commissioner, of successful completion, at an accredited institution, of two of the courses listed in Section 10153.2, other than real estate principles, advanced legal aspects of real estate, advanced real estate finance, or advanced real estate appraisal.

(b) A salesperson who qualifies for a license pursuant to this section shall not be required for the first license renewal thereafter to complete the continuing education pursuant to Article 2.5 (commencing with Section 10170), except for the courses specified in paragraphs (1) to (4), inclusive, of subdivision (a) of Section 10170.5.

(c) The salesperson license issued to an applicant who has satisfied only the requirements of Section 10153.3 at the time of issuance shall be automatically suspended effective 18 months after issuance if the licensee has failed to satisfy subdivision (a). The suspension shall not be lifted until the suspended licensee has submitted the required evidence of course completion and the commissioner has given written notice to the licensee of the lifting of the suspension.

(d) The original license issued to a salesperson shall clearly set forth the conditions of the license and shall be accompanied by a notice of the provisions of this section and of any regulations adopted by the commissioner to implement this section.

(e) The commissioner shall waive the requirements of this section for any person who presents evidence of admission to the State Bar of California, and the commissioner shall waive the requirement for any course for which an applicant has completed an equivalent course of study as determined under Section 10153.5.

This section shall become operative January 1, 1996.

SEC. 3. Section 10170.5 of the Business and Professions Code is amended to read:

10170.5. Except as otherwise provided in Sections 10153.4 and 10170.8, no real estate license shall be renewed unless the commissioner finds that the applicant for license renewal has, during the four-year period preceding the renewal application, successfully completed the 45 clock hours of education provided for in Section 10170.4, including all of the following:

(a) A three-hour course in ethics, professional conduct, and legal aspects of real estate, which shall include, but not be limited to, relevant legislation, regulations, articles, reports, studies, court decisions, treatises, and information of current interest.

(b) A three-hour course in agency relationships and duties in a real estate brokerage practice, including instruction in the disclosures to be made and the confidences to be kept in the various agency relationships between licensees and the parties to real estate transactions.

(c) Not less than 18 clock hours of courses or programs related to consumer protection, and designated by the commissioner as satisfying this purpose in his or her approval of the offering of these courses or programs, which shall include, but not be limited to, forms

of real estate financing relevant to serving consumers in the marketplace; land use regulation and control; pertinent consumer disclosures; agency relationships; capital formation for real estate development; fair practices in real estate; appraisal and valuation techniques; landlord-tenant relationships; energy conservation; environmental regulation and consideration; taxation as it relates to consumer decisions in real estate transactions; probate and similar disposition of real property; governmental programs such as revenue bond activities, redevelopment, and related programs; business opportunities; and mineral, oil, and gas conveyancing.

(d) Other courses and programs that will enable a licensee to achieve a high level of competence in serving the objectives of consumers who may engage the services of licensees to secure the transfer, financing, or similar objectives with respect to real property, including organizational and management techniques that will significantly contribute to this goal.

Any denial of a license pursuant to this section shall be subject to Section 10100.

It is the intent of the Legislature that a real estate licensee renewing his or her license on or after January 1, 1994, and before the effective date of this section, as amended by Assembly Bill 244, comply with the provisions of this section in connection with the license renewal. Therefore, the provisions of this section are retroactive and the commissioner shall require a licensee who renewed his or her license on or after January 1, 1994, and prior to the effective date of this section, as amended by Assembly Bill 244, and who in connection therewith did not submit evidence of having met the requirements of this section, to do so within 45 days of the mailing of the following notice to the licensee at his or her mailing address on file with the department:

“At the time of the renewal of your real estate license, you did not submit evidence satisfactory to the commissioner of having satisfied the continuing education requirements set forth in Section 10170.5 of the Business and Professions Code, as amended by Assembly Bill 244. Also at the time of your renewal, you were advised that Assembly Bill 244 was pending in the Legislature, and that it would require a licensee who renewed his or her license on or after January 1, 1994, and who had not satisfied the continuing education requirements in connection with the renewal, to do so within 45 days from its enactment. Assembly Bill 244 has passed the Legislature and has been enacted into law. Therefore, you are now required to submit evidence, satisfactory to the commissioner, of having complied with the continuing education requirements within 45 days from the date of the mailing of this notice or your real estate license will be indefinitely suspended until the commissioner has received and approved the evidence of compliance.”

This section shall remain in effect until January 1, 1996, and as of that date is repealed.

SEC. 4. Section 10170.5 is added to the Business and Professions

Code, to read:

10170.5. (a) Except as otherwise provided in Sections 10153.4 and 10170.8, no real estate license shall be renewed unless the commissioner finds that the applicant for license renewal has, during the four-year period preceding the renewal application, successfully completed the 45 clock hours of education provided for in Section 10170.4, including all of the following:

(1) A three-hour course in ethics, professional conduct, and legal aspects of real estate, which shall include, but not be limited to, relevant legislation, regulations, articles, reports, studies, court decisions, treatises, and information of current interest.

(2) A three-hour course in agency relationships and duties in a real estate brokerage practice, including instruction in the disclosures to be made and the confidences to be kept in the various agency relationships between licensees and the parties to real estate transactions.

(3) A three-hour course in trust fund accounting and handling.

(4) A three-hour course in fair housing.

(5) Not less than 18 clock hours of courses or programs related to consumer protection, and designated by the commissioner as satisfying this purpose in his or her approval of the offering of these courses or programs, which shall include, but not be limited to, forms of real estate financing relevant to serving consumers in the marketplace; land use regulation and control; pertinent consumer disclosures; agency relationships; capital formation for real estate development; fair practices in real estate; appraisal and valuation techniques; landlord-tenant relationships; energy conservation; environmental regulation and consideration; taxation as it relates to consumer decisions in real estate transactions; probate and similar disposition of real property; governmental programs such as revenue bond activities, redevelopment, and related programs; business opportunities; and mineral, oil, and gas conveyancing.

(6) Other courses and programs that will enable a licensee to achieve a high level of competence in serving the objectives of consumers who may engage the services of licensees to secure the transfer, financing, or similar objectives with respect to real property, including organizational and management techniques that will significantly contribute to this goal.

(b) Except as otherwise provided in Sections 10153.4 and 10170.8, no real estate license shall be renewed for a licensee who already has renewed under the provisions of subdivision (a), unless the commissioner finds that the applicant for license renewal has, during the four-year period preceding the renewal application, successfully completed the 45 clock hours of education provided for in Section 10170.4, including either of the following:

(1) A four-hour update survey course that covers the subject areas specified in paragraphs (1) to (4), inclusive, of subdivision (a).

(2) Any two of the four three-hour courses described in paragraphs (1) to (4), inclusive, of subdivision (a), provided that the

two courses completed have not been used to qualify for renewal under this subdivision in the four-year period immediately preceding the applicant's current four-year renewal period, other than the initial renewal in which all four courses shall have been completed.

(c) Any denial of a license pursuant to this section shall be subject to Section 10100.

This section shall become operative January 1, 1996.

SEC. 5. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

The requirements for continuing education for real estate licensees, which have been in effect since 1983, unintentionally were suspended for the 1994 calendar year by the language of AB 1902 (Chapter 541, Statutes of 1993). This act is necessary to reinstitute these requirements.

CHAPTER 11

An act to add Sections 21100.2 and 21100.4 to the Water Code, relating to water, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor February 23, 1994. Filed with Secretary of State February 23, 1994.]

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

SECTION 1. Section 21100.2 is added to the Water Code, to read: 21100.2. (a) This section applies to the Pixley Irrigation District.

(b) Notwithstanding Section 21100, the board of directors of the district may adopt a resolution that authorizes a person who meets only the landownership requirement of Section 21100 to be a director of the district.

(c) Notwithstanding the adoption of a resolution pursuant to subdivision (b), the registered voters in the district may request, in writing, that all of the directors who are appointed or elected subsequent to the receipt of the request be required to meet all of the requirements of Section 21100. The request shall be submitted to the directors.

(d) If the directors determine that at least 25 percent of the registered voters in the district have signed the request submitted pursuant to subdivision (c), all of the directors who are appointed or elected subsequent to the receipt of the request shall meet all of the requirements of Section 21100.

SEC. 2. Section 21100.4 is added to the Water Code, to read:

21100.4. (a) This section applies to the Hills Valley Irrigation

District.

(b) Notwithstanding Section 21100, the board of directors of the district may adopt a resolution that authorizes a person who meets only the landownership requirement of Section 21100 to be a director of the district.

(c) Notwithstanding the adoption of a resolution pursuant to subdivision (b), the registered voters in the district may request, in writing, that all of the directors who are appointed or elected subsequent to the receipt of the request be required to meet all of the requirements of Section 21100. The request shall be submitted to the directors.

(d) If the directors determine that at least 25 percent of the registered voters in the district have signed the request submitted pursuant to subdivision (c), all of the directors who are appointed or elected subsequent to the receipt of the request shall meet all of the requirements of Section 21100.

SEC. 3. The Legislature finds and declares that this act, which is applicable only to the Pixley Irrigation District and the Hills Valley Irrigation District, is necessary because a substantial portion of the land included within those districts is owned by persons not residing within those districts who are concerned with the affairs and support of those districts. It is, therefore, hereby declared that a general law cannot be made applicable to those districts in accordance with Section 16 of Article IV of the California Constitution, and that the enactment of this special law is necessary for the solution of problems existing within those districts.

SEC. 4. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order that the changes affecting the qualifications of the directors of the Pixley Irrigation District and the Hills Valley Irrigation District may take effect at the earliest possible date, it is necessary that this act take effect immediately.

CHAPTER 12

An act to amend Section 667 of the Penal Code, relating to sentencing, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor March 7, 1994. Filed with
Secretary of State March 7, 1994.]

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

SECTION 1. Section 667 of the Penal Code is amended to read:
667. (a) (1) In compliance with subdivision (b) of Section 1385,

any person convicted of a serious felony who previously has been convicted of a serious felony in this state or of any offense committed in another jurisdiction which includes all of the elements of any serious felony, shall receive, in addition to the sentence imposed by the court for the present offense, a five-year enhancement for each such prior conviction on charges brought and tried separately. The terms of the present offense and each enhancement shall run consecutively.

(2) This subdivision shall not be applied when the punishment imposed under other provisions of law would result in a longer term of imprisonment. There is no requirement of prior incarceration or commitment for this subdivision to apply.

(3) The Legislature may increase the length of the enhancement of sentence provided in this subdivision by a statute passed by majority vote of each house thereof.

(4) As used in this subdivision, "serious felony" means a serious felony listed in subdivision (c) of Section 1192.7.

(5) This subdivision shall not apply to a person convicted of selling, furnishing, administering, or giving, or offering to sell, furnish, administer, or give to a minor any methamphetamine-related drug or any precursors of methamphetamine unless the prior conviction was for a serious felony described in subparagraph (24) of subdivision (c) of Section 1192.7.

(b) It is the intent of the Legislature in enacting subdivisions (b) to (i), inclusive, to ensure longer prison sentences and greater punishment for those who commit a felony and have been previously convicted of serious and/or violent felony offenses.

(c) Notwithstanding any other law, if a defendant has been convicted of a felony and it has been pled and proved that the defendant has one or more prior felony convictions as defined in subdivision (d), the court shall adhere to each of the following:

(1) There shall not be an aggregate term limitation for purposes of consecutive sentencing for any subsequent felony conviction.

(2) Probation for the current offense shall not be granted, nor shall execution or imposition of the sentence be suspended for any prior offense.

(3) The length of time between the prior felony conviction and the current felony conviction shall not affect the imposition of sentence.

(4) There shall not be a commitment to any other facility other than the state prison. Diversion shall not be granted nor shall the defendant be eligible for commitment to the California Rehabilitation Center as provided in Article 2 (commencing with Section 3050) of Chapter 1 of Division 3 of the Welfare and Institutions Code.

(5) The total amount of credits awarded pursuant to Article 2.5 (commencing with Section 2930) of Chapter 7 of Title 1 of Part 3 shall not exceed one-fifth of the total term of imprisonment imposed and

shall not accrue until the defendant is physically placed in the state prison.

(6) If there is a current conviction for more than one felony count not committed on the same occasion, and not arising from the same set of operative facts, the court shall sentence the defendant consecutively on each count pursuant to subdivision (e).

(7) If there is a current conviction for more than one serious or violent felony as described in paragraph (6), the court shall impose the sentence for each conviction consecutive to the sentence for any other conviction for which the defendant may be consecutively sentenced in the manner prescribed by law.

(8) Any sentence imposed pursuant to subdivision (e) will be imposed consecutive to any other sentence which the defendant is already serving, unless otherwise provided by law.

(d) Notwithstanding any other law and for the purposes of subdivisions (b) to (i), inclusive, a prior conviction of a felony shall be defined as:

(1) Any offense defined in subdivision (c) of Section 667.5 as a violent felony or any offense defined in subdivision (c) of Section 1192.7 as a serious felony in this state. The determination of whether a prior conviction is a prior felony conviction for purposes of subdivisions (b) to (i), inclusive, shall be made upon the date of that prior conviction and is not affected by the sentence imposed unless the sentence automatically, upon the initial sentencing, converts the felony to a misdemeanor. None of the following dispositions shall affect the determination that a prior conviction is a prior felony for purposes of subdivisions (b) to (i), inclusive:

(A) The suspension of imposition of judgment or sentence.

(B) The stay of execution of sentence.

(C) The commitment to the State Department of Health Services as a mentally disordered sex offender following a conviction of a felony.

(D) The commitment to the California Rehabilitation Center or any other facility whose function is rehabilitative diversion from the state prison.

(2) A conviction in another jurisdiction for an offense that, if committed in California, is punishable by imprisonment in the state prison. A prior conviction of a particular felony shall include a conviction in another jurisdiction for an offense that includes all of the elements of the particular felony as defined in subdivision (c) of Section 667.5 or subdivision (c) of Section 1192.7.

(3) A prior juvenile adjudication shall constitute a prior felony conviction for purposes of sentence enhancement if:

(A) The juvenile was 16 years of age or older at the time he or she committed the prior offense.

(B) The prior offense is listed in subdivision (b) of Section 707 of the Welfare and Institutions Code or described in paragraph (1) or (2) as a felony.

(C) The juvenile was found to be a fit and proper subject to be

dealt with under the juvenile court law.

(D) The juvenile was adjudged a ward of the juvenile court within the meaning of Section 602 of the Welfare and Institutions Code because the person committed an offense listed in subdivision (b) of Section 707 of the Welfare and Institutions Code.

(e) For purposes of subdivisions (b) to (i), inclusive, and in addition to any other enhancement or punishment provisions which may apply, the following shall apply where a defendant has a prior felony conviction:

(1) If a defendant has one prior felony conviction that has been pled and proved, the determinate term or minimum term for an indeterminate term shall be twice the term otherwise provided as punishment for the current felony conviction.

(2) (A) If a defendant has two or more prior felony convictions as defined in subdivision (d) that have been pled and proved, the term for the current felony conviction shall be an indeterminate term of life imprisonment with a minimum term of the indeterminate sentence calculated as the greater of:

(i) Three times the term otherwise provided as punishment for each current felony conviction subsequent to the two or more prior felony convictions.

(ii) Imprisonment in the state prison for 25 years.

(iii) The term determined by the court pursuant to Section 1170 for the underlying conviction, including any enhancement applicable under Chapter 4.5 (commencing with Section 1170) of Title 7 of Part 2, or any period prescribed by Section 190 or 3046.

(B) The indeterminate term described in subparagraph (A) shall be served consecutive to any other term of imprisonment for which a consecutive term may be imposed by law. Any other term imposed subsequent to any indeterminate term described in subparagraph (A) shall not be merged therein but shall commence at the time the person would otherwise have been released from prison.

(f) (1) Notwithstanding any other law, subdivisions (b) to (i), inclusive, shall be applied in every case in which a defendant has a prior felony conviction as defined in subdivision (d). The prosecuting attorney shall plead and prove each prior felony conviction except as provided in paragraph (2).

(2) The prosecuting attorney may move to dismiss or strike a prior felony conviction allegation in the furtherance of justice pursuant to Section 1385, or if there is insufficient evidence to prove the prior conviction. If upon the satisfaction of the court that there is insufficient evidence to prove the prior felony conviction, the court may dismiss or strike the allegation.

(g) Prior felony convictions shall not be used in plea bargaining as defined in subdivision (b) of Section 1192.7. The prosecution shall plead and prove all known prior felony convictions and shall not enter into any agreement to strike or seek the dismissal of any prior felony conviction allegation except as provided in paragraph (2) of subdivision (f).

(h) All references to existing statutes in subdivisions (c) to (g), inclusive, are to statutes as they existed on June 30, 1993.

(i) If any provision of subdivisions (b) to (h), inclusive, or the application thereof to any person or circumstance is held invalid, that invalidity shall not affect other provisions or applications of those subdivisions which can be given effect without the invalid provision or application, and to this end the provisions of those subdivisions are severable.

(j) The provisions of this section shall not be amended by the Legislature except by statute passed in each house by rollcall vote entered in the journal, two-thirds of the membership concurring, or by a statute that becomes effective only when approved by the electors.

SEC. 2. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to ensure longer prison sentences and greater punishment for those who commit a felony and have been previously convicted of serious or violent felony offenses, and to protect the public from the imminent threat posed by those repeat felony offenders, it is necessary that this act take effect immediately.

CHAPTER 13

An act to amend Section 66171 of the Education Code, relating to postsecondary education, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor March 9, 1994. Filed with
Secretary of State March 10, 1994.]

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

SECTION 1. Section 66171 of the Education Code is amended to read:

66171. (a) Each governing board shall charge duplicate degree tuition to a student who has earned a degree equivalent to or higher than the degree awarded by the program in which he or she is enrolled or who has earned a baccalaureate degree or postbaccalaureate degree and is enrolled without a declared degree objective.

(b) No duplicate degree tuition shall be charged to a student who is any of the following:

(1) A dislocated worker, as certified by a state agency in accordance with Title 3 of the federal Job Training Partnership Act.

(2) A displaced homemaker, as defined in accordance with the Higher Education Act of 1965, as amended (20 U.S.C. Sec. 1001 et

seq.).

(3) A person who is an enrollee in any program leading to a credential or certificate that has been approved by the Commission on Teacher Credentialing.

(4) A recipient of benefits under the Aid to Families with Dependent Children program, the Supplemental Security Income or State Supplementary Program, or a general assistance program.

(c) For purposes of this article, the following shall apply:

(1) A degree earned in a joint degree or double-major program shall not be considered an equivalent degree earned prior to any other degree awarded by the joint degree or double-major program.

(2) A program that awards a master's degree as part of a course of study leading to a doctorate shall not be considered a program that awards the master's degree, unless the stated objective of the student is to earn the master's degree.

SEC. 2. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order that students pursuing a credential will be exempted from the duplicate degree tuition fee for the term that begins in January 1994, it is necessary that this act take effect immediately.

CHAPTER 14

An act to amend Section 38170 of the Vehicle Code, relating to vehicles.

[Approved by Governor March 9, 1994. Filed with
Secretary of State March 10, 1994.]

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

SECTION 1. Section 38170 of the Vehicle Code is amended to read:

38170. (a) Every off-highway motor vehicle subject to identification shall have displayed upon it the identification number assigned to the vehicle for which it is issued, together with the word "California" or the abbreviation "CAL" and the year number for which it is issued or a suitable device issued by the department for validation purposes, which device shall contain the year for which it is issued.

(b) The identification plate or device shall at all times be securely fastened to the vehicle for which it is issued and shall be mounted or affixed in a position to be clearly visible, and shall be maintained in a condition so as to be clearly legible. No covering shall be used on the identification plate or device.

(c) All identification plates or devices issued on or after January

1, 1996, shall be displayed as follows:

(1) On the left fork leg of a motorcycle, either horizontal or vertical, and shall be visible from the left side of the motorcycle.

(2) On the left quadrant of the metal frame member of sand rails, rail-type buggies, and dune buggies, visible from the rear of the vehicle.

(3) On the left rear quadrant on permanent plastic or metal frame members of all-terrain vehicles, visible to outside inspections.

(4) On the left tunnel on the back quadrant of snowmobiles.

CHAPTER 15

An act to add Chapter 12.48 (commencing with Section 8879) to Division 1 of Title 2 of the Government Code, and to add Article 4.9 (commencing with Section 180) to Chapter 1 of Division 1 of the Streets and Highway Code, relating to earthquake relief and seismic retrofit by providing the funds necessary therefor through the issuance and sale of bonds of the State of California and by providing for the handling and disposition of those funds, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor March 15, 1994. Filed with
Secretary of State March 15, 1994.]

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

SECTION 1. Chapter 12.48 (commencing with Section 8879) is added to Division 1 of Title 2 of the Government Code, to read:

CHAPTER 12.48. EARTHQUAKE RELIEF AND SEISMIC RETROFIT BOND ACT OF 1994

Article 1. General Provisions

8879. This chapter shall be known as the Earthquake Relief and Seismic Retrofit Bond Act of 1994.

8879.1. The Legislature finds and declares all of the following:

(a) The Northridge earthquake of January 17, 1994, caused personal losses and damage to infrastructure and property resulting in relocations and severe disruption of livelihood.

(b) It is in the best interest of the state to provide, to the greatest extent feasible, resources to address the disruptions and dangerous situations that continue to exist.

8879.2. As used in this chapter, the following terms have the following meanings:

(a) "Board" means any department receiving an allocation from the Department of Finance.

(b) "Committee" means the Earthquake Relief and Seismic Retrofit Finance Committee created pursuant to Section 8879.7.

(c) "Fund" means the Earthquake Relief and Seismic Retrofit Bond Fund of 1994 created pursuant to Section 8879.3.

(d) "January 17, 1994, Northridge earthquake" means the earthquake of that date and any resulting aftershocks.

Article 2. Earthquake Relief and Seismic Retrofit Bond Fund and Program

8879.3. The Earthquake Relief and Seismic Retrofit Bond Fund of 1994 is hereby created in the State Treasury. The proceeds of bonds issued and sold pursuant to this chapter for the purposes specified in this chapter are hereby appropriated, without regard to fiscal years, to the Department of Finance for allocation in the following manner:

(a) One hundred forty-five million dollars (\$145,000,000) for transportation costs associated with the recovery from the January 17, 1994, Northridge earthquake. Funds may be used to match any available federal funds for transportation purposes or may be used without matching federal funds to repair, reconstruct, replace, or retrofit transportation facilities, roadways, structures, and equipment in the area affected by the earthquake. Funds may also be used to provide alternative transportation capacity and transportation management needed to mitigate the effects of the earthquake, and to reimburse, upon the order of the Director of Finance, the General Fund or special funds for expenditures made for the purposes set forth in this subdivision prior to the approval, sale, and issuance of earthquake relief bonds. Expenditures from the fund for transportation purposes shall be approved by the Director of Transportation and reported within five days of approval to the Director of Finance and the California Transportation Commission.

(b) Two hundred sixty-five million dollars (\$265,000,000) for allocation to cities, counties, school districts, and other local government agencies, except community college districts, and to state agencies, for the costs of repair, renovation, reconstruction, replacement, relocation, or retrofitting of public infrastructure, including schools, buildings and facilities, hospitals, utilities, sewers, streets and roads, and emergency centers damaged as a result of the January 17, 1994, Northridge earthquake. These funds may, in addition, be used to match any available federal funds for these purposes in the Counties of Los Angeles, Orange, and Ventura, and to reimburse, upon order of the Director of Finance, the General Fund or special funds for expenditures made for the purposes set forth in this subdivision prior to the approval, sale, and issuance of earthquake relief bonds.

For purposes of this subdivision, "public infrastructure" does not include any vehicular bridges, roadways, highways, or any facility or building owned by the University of California, the California State University, or a community college district or campus.

(c) Sixty-five million dollars (\$65,000,000) for the purpose of financing the cost of earthquake hazard mitigation projects for public buildings and facilities in the Counties of Los Angeles, Orange, and Ventura, and to reimburse, upon order of the Director of Finance, the General Fund or special funds for expenditures made for the purposes set forth in this subdivision prior to the approval, sale, and issuance of earthquake relief bonds. For these projects, allowable earthquake hazard mitigation costs shall include the cost of repair, renovation, replacement, retrofit, or relocation for the purposes of reducing the risk of future damage, hardship, or loss arising from future seismic activity. The Director of Finance shall establish priority for allocation of these funds.

For purposes of this subdivision, "public buildings and facilities" means any building or structure owned by a public agency, except for vehicular bridges, roadways, highways, or any facility or building owned by the University of California, the California State University, or a community college district or campus.

(d) (1) Nine hundred fifty million dollars (\$950,000,000) for the seismic retrofit of state-owned highways and bridges throughout California. Funds allocated for this purpose shall be deposited in the Seismic Retrofit Account and, upon deposit, are continuously appropriated to the Department of Transportation. Funds may be used to match any available federal funds for transportation purposes or may be used without matching federal funds to reconstruct, replace, or retrofit state-owned highways and bridges.

(2) Funds described in paragraph (1) shall not be used to offset or replace funds previously reserved in the 1992 State Highway Operation and Protection Program for seismic retrofit referred to as previously reserved retrofit funds. The unexpended portions of the previously reserved retrofit funds are further set forth in Exhibit B entitled 1994 SHOPP Fund Reservation Summary in the proposed 1994 State Highway Operation and Protection Program forwarded by the Department of Transportation to the California Transportation Commission on January 31, 1994.

(3) Funds described in this subdivision shall be spent for the seismic retrofit of state-owned toll bridges in an amount equal to the proportion of the total estimate of cost for retrofit of the toll bridges to the total estimate of cost for all state-owned bridges, but in no event less than 40 percent of the funds described in this subdivision. For purposes of this foregoing calculation, there shall be deducted those funds to be reserved for seismic retrofit as set forth on Exhibit B entitled 1994 SHOPP Fund Reservation Summary in the proposed 1994 State Highway Operation and Protection Program forwarded by the Department of Transportation to the California Transportation Commission of January 31, 1994. The total amount of those funds is four hundred nineteen million five hundred thousand dollars (\$419,500,000). All estimated costs required by this subdivision shall mean the costs estimated by the Department of Transportation effective July 1, 1994, which estimates shall be

forwarded to the California Transportation Commission prior to July 5, 1994.

(e) (1) Five hundred seventy-five million dollars (\$575,000,000) for transfer to the California Disaster Housing Repair Fund, shall be made available upon approval of the Director of Finance, for the purposes authorized pursuant to Section 50661.5 of the Health and Safety Code in order to implement the programs established in Sections 50662.7 and 50671.6 of the Health and Safety Code. Notwithstanding any other provision of law, these funds may be expended for any of the purposes authorized in Sections 50661.5, 50662.7, and 50671.6 of the Health and Safety Code, to address the effects of the January 17, 1994, Northridge earthquake. However, no funds transferred pursuant to this paragraph shall be expended for the purposes authorized in Section 50671.5 of the Health and Safety Code. No more than 15 percent of the funds expended pursuant to this subdivision may be expended for administrative costs.

(2) The Legislature may, from time to time, amend the provisions of law relating to programs to which funds are, or have been, allocated pursuant to this subdivision for the purpose of improving the efficiency and the effectiveness of the programs. The Legislature may also, from time to time, amend the provisions of law relating to programs to which funds are, or have been, allocated pursuant to this subdivision for the purpose of furthering the goals of those programs.

(3) The people of the State of California hereby find and declare that the words "develop, construct, or acquire," as used in Section 1 of Article XXXIV of the California Constitution, shall not be interpreted to apply to activities of a state public body when that body undertakes any of the activities permitted in Section 50671.6 of the Health and Safety Code, including, but not limited to, reconstruction of rental developments of comparable size on comparable sites in the immediate neighborhood where the rental development previously existed.

(f) Notwithstanding subdivisions (a), (b), and (c), in order to ensure efficient and appropriate use of bond proceeds for earthquake relief as authorized in subdivisions (a), (b), and (c), the Director of Finance may revise the amounts expressly allocated in subdivisions (a), (b), and (c), and reallocate these funds among subdivisions (a), (b), and (c). In addition, the director may reallocate funds allocated under subdivision (a) to subdivision (d). However, no revision or reallocation of funds authorized by this subdivision shall be made until 15 days after written notice to the Chair of the Joint Legislative Budget Committee and the chairs of the fiscal committees of both houses of the Legislature.

(g) The Department of Finance shall notify in writing the Chair of the Joint Legislative Budget Committee and the chairs of the fiscal committees of both houses of the Legislature at the end of each month regarding any allocations of funds pursuant to subdivisions (a), (b), (c), (d), and (e).

(h) Use of any funds authorized in subdivision (a), (b), (c), or (d)

for replacement or relocation of any facilities shall be authorized to provide new facilities that may have a size or capacity that is greater than the size or capacity of the damaged facilities being replaced to the extent that this increase is beneficial to the intended use of the replacement facility and may be accomplished on a cost-efficient basis.

Article 3. Fiscal Provisions

8879.5. Bonds in the total amount of two billion dollars (\$2,000,000,000), exclusive of refunding bonds, or so much thereof as is necessary, is hereby authorized to be issued and sold for carrying out the purposes expressed in this chapter and to reimburse the General Obligation Bond Expense Revolving Fund pursuant to Section 16724.5. All bonds herein authorized which have been duly sold and delivered as provided herein shall constitute valid and legally binding general obligations of the State of California, and the full faith and credit of the State of California is hereby pledged for the punctual payment of both principal and interest thereof.

8879.6. The bonds authorized by this chapter shall be prepared, executed, issued, sold, paid, and redeemed as provided in the State General Obligation Bond Law (Chapter 4 (commencing with Section 16720) of Part 3 of Division 4), except Section 16727 and all of the other provisions of that law as amended from time to time apply to the bonds and to this chapter and are hereby incorporated in this chapter as though set forth in full in this chapter.

8879.7. (a) Solely for the purpose of authorizing the issuance and sale, pursuant to the State General Obligation Bond Law, of the bonds authorized by this chapter, the Earthquake Relief and Seismic Retrofit Finance Committee is hereby created. For the purposes of this chapter, the Earthquake Relief and Seismic Retrofit Finance Committee is "the committee" as that term is used in the State General Obligation Bond Law. The committee consists of the Treasurer, the Controller, the Director of Finance, the Director of General Services, and the Secretary of the Business, Transportation and Housing Agency, or a designated representative of each of those officials. The Treasurer shall serve as the chairperson of the committee. A majority of the committee may act for the committee.

(b) The committee may adopt guidelines establishing requirements for administration of its financing programs to the extent necessary to protect the validity of, and tax exemption for, interest on the bonds. The guidelines shall not constitute rules, regulations, orders, or standards of general application.

(c) For the purposes of the State General Obligation Bond Law, any department receiving an allocation from the Department of Finance is designated to be the "board."

8879.8. Upon request of the board stating that funds are needed for earthquake relief purposes, the committee shall determine whether or not it is necessary or desirable to issue bonds authorized

pursuant to this chapter in order to carry out the actions specified in Section 8879.3, and, if so, the amount of bonds to be issued and sold. Successive issues of bonds may be authorized and sold to carry out those actions progressively, and be sold at any one time. Bonds may bear interest subject to federal income tax.

8879.9. There shall be collected annually in the same manner and at the same time as other state revenue is collected, a sum of money in addition to the ordinary revenues of the state, sufficient to pay the principal of, and interest on, the bonds as provided herein, and all officers required by law to perform any duty in regard to the collections of state revenues shall collect that additional sum.

8879.10. Notwithstanding Section 13340, there is hereby appropriated from the General Fund in the State Treasury, for the purposes of this chapter, an amount that will equal the total of the following:

(a) The sum annually necessary to pay the principal of, and interest on, bonds issued and sold pursuant to this chapter, as the principal and interest become due and payable.

(b) The sum which is necessary to carry out Section 8879.12, appropriated without regard to fiscal years.

8879.11. The board may request the Pooled Money Investment Board to make a loan from the Pooled Money Investment Account, in accordance with Section 16312, for purposes of this chapter. The amount of the request shall not exceed the amount of the unsold bonds which the committee has, by resolution, authorized to be sold for the purpose of this chapter, less any amount withdrawn pursuant to Section 8879.12. The board shall execute any documents as required by the Pooled Money Investment Board to obtain and repay the loan. Any amount loaned shall be deposited in the fund to be allocated by the Director of Finance in accordance with this chapter.

8879.12. For the purpose of carrying out this chapter, the Director of Finance may, by executive order, authorize the withdrawal from the General Fund of any amount or amounts not to exceed the amount of the unsold bonds which the committee has, by resolution, authorized to be sold for the purpose of carrying out this chapter. Any amounts withdrawn shall be deposited in the Earthquake Relief and Seismic Retrofit Bond Fund of 1994. Any money made available under this section shall be returned to the General Fund, plus the interest that the amounts would have earned in the Pooled Money Investment Account, from money received from the sale of bonds which would otherwise be deposited in that fund.

8879.13. The bonds may be refunded in accordance with Article 6 (commencing with Section 16780) of the State Obligation Bond Law. Approval by the electors of this act shall constitute approval of any refunding bonds issued pursuant to the State General Obligation Bond Law.

8879.14. Notwithstanding anything in the State General Obligation Bond Law, the maximum maturity of any bonds

authorized by this chapter shall not exceed 30 years from the date of each respective series. The maturity of each series shall be calculated from the date of each series.

8879.15. The Legislature hereby finds and declares that, inasmuch as the proceeds from the sale of bonds authorized by this chapter are not "proceeds of taxes" as that term is used in Article XIII B of the California Constitution, the disbursement of these proceeds is not subject to the limitations imposed by that article.

8879.16. Notwithstanding any provision of the State General Obligation Bond Law with regard to the proceeds from the sale of bonds authorized by this chapter that are subject to investment under Article 4 (commencing with Section 16470) of Chapter 3 of Part 2 of Division 4, the Treasurer may maintain a separate account for investment earnings, order the payment of those earnings to comply with any rebate requirement applicable under federal law, and may otherwise direct the use and investment of those proceeds so as to maintain the tax-exempt status of those bonds and to obtain any other advantage under federal law on behalf of the funds of this state.

SEC. 2. The Treasurer is hereby authorized, for purposes of complying with federal tax requirements relating to the bonds authorized by Section 1 of this act, to declare the official intent of the state to use proceeds of these bonds to reimburse the General Fund or special funds for expenditures for earthquake relief made from these funds prior to the approval, sale, and issuance of earthquake relief bonds.

SEC. 3. Any funds available from the 1988 Higher Education Capital Outlay Bond Fund, the Higher Education Capital Outlay Bond Fund of June 1990, and the Higher Education Capital Outlay Bond Fund of June 1992, not to exceed a combined total of seventy-five million dollars (\$75,000,000), are hereby appropriated to the University of California, the California State University, and the California Community Colleges to be allocated by the Department of Finance to meet the timely allocation of matching grants to repair, replace, reconstruct, renovate, or retrofit on-campus buildings or facilities, including utilities, and streets and roads, damaged by the January 17, 1994, Northridge earthquake.

The Department of Finance shall notify in writing the Chair of the Joint Legislative Budget Committee and the chairs of the fiscal committees of both houses of the Legislature at the end of each month regarding any allocations of funds pursuant to this section.

SEC. 4. Section 1 of this act shall become operative upon adoption by the people of the Earthquake Relief and Seismic Retrofit Bond Act of 1994 as set forth in Section 1 of this act.

SEC. 5. (a) Notwithstanding Section 3525 of the Elections Code, Section 1 of this act shall be submitted to the voters at the June 7, 1994, direct primary election.

(b) The Secretary of State shall ensure the placement of Section 1 of this act on the June 7, 1994, statewide ballot, in substantial

compliance with any statutory time requirements applicable to the submission of statewide measures to the voters at a statewide election.

(c) Notwithstanding Section 3531 of the Elections Code, the Attorney General shall prepare and return to the Secretary of State a ballot title for the bond act contained in Section 1 of this act within five days after the effective date of this act.

(d) Notwithstanding Section 3572 of the Elections Code, the Legislative Analyst shall prepare an impartial analysis of the bond act contained in Section 1 of this act within five days after the effective date of this act, but the analysis shall not be submitted to a review committee.

(e) The Secretary of State shall include, in the ballot pamphlet mailed pursuant to Section 3578 of the Elections Code, the information specified in Section 3570 of that code regarding the bond act contained in Section 1 of this act.

If that inclusion is not possible, the Secretary of State shall publish a supplemental ballot pamphlet regarding the bond act to be mailed with the ballot pamphlet. If the supplemental ballot pamphlet cannot be mailed with the ballot pamphlet, the supplemental ballot pamphlet shall, notwithstanding Section 3578 of the code, be mailed at least 14 days before the election.

(f) Notwithstanding any other provision of law, including Sections 10218 and 10219.5 of the Elections Code, and Section 5 of Senate Bill 190 of the 1993-94 Regular Session of the Legislature, Section 1 of this act shall appear as Proposition 1A as the first proposition on the ballot, the School Facilities Bond Act of 1994, as proposed by Senate Bill 190, of the 1993-94 Regular Session, shall appear as Proposition 1B as the second proposition on the ballot, and the Higher Education Facilities Bond Act of June 1994, as proposed by Senate Bill 46, of the 1993-94 Regular Session, shall appear as Proposition 1C as the third Proposition on the ballot. If any of these acts is not submitted to the Secretary of State, those acts that are submitted shall be placed on the ballot in the same order as indicated above, numbered as Proposition 1A or Proposition 1A and Proposition 1B.

SEC. 6. Notwithstanding any other provision of law, all ballots of the election shall have printed thereon and in a square thereof, the words: "Earthquake Relief and Seismic Retrofit Bond Act of 1994", and in the same square under those words, the following in 8-point type: "This act provides for a bond issue of two billion dollars (\$2,000,000,000) to provide funds for an earthquake relief and seismic retrofit program." Opposite the square, there shall be left spaces in which the voters may place a cross in the manner required by law to indicate whether they vote for or against the act.

Where the voting in the election is done by means of voting machines used pursuant to law in the manner that carries out the intent of this section, the use of the voting machines and the expression of the voters' choice by means thereof are in compliance with this section.

SEC. 7. (a) The Legislature finds and declares that the completion of seismic safety retrofit work is essential to the welfare and economy of the State of California.

(b) It is the intent of the Legislature to ensure that the work be completed as quickly as possible.

(c) In order to avoid delays in the completion of the work, it is necessary that certain statutes that would otherwise be applicable be temporarily suspended.

(d) The Department of Transportation shall report at the end of each calendar quarter to the Joint Legislative Budget Committee and the committees in each house of the Legislature that consider transportation issues regarding the department's progress toward completion of seismic safety retrofit projects.

SEC. 8. Article 4.9 (commencing with Section 180) is added to Chapter 1 of Division 1 of the Streets and Highways Code, to read:

Article 4.9. Seismic Retrofit

180. (a) For the purposes of this article, "project" means any activity of seismic retrofit work that includes either the structural modification of an existing highway structure or the replacement of a highway structure by a newly constructed structure meeting seismic safety requirements.

(b) For the purpose of this article:

(1) "Permit" includes any permit, authorization, approval, or consent in any form.

(2) "Permitting agency" includes any city, county, city and county, and any state or local public agency.

180.1. (a) Projects under this article shall not be subject to the provisions of Chapter 1 (commencing with Section 10100) of Part 2 of Division 2 of the Public Contract Code, except the following:

(1) Article 1.5 (commencing with Section 10115) of Chapter 1 of Part 2 of Division 2 of the Public Contract Code, as to projects not subject to the provisions of Part 23 of Title 49 of the Code of Federal Regulations.

(2) Section 10128 of the Public Contract Code.

(3) Article 9 (commencing with Section 10280) of Chapter 1 of Part 2 of Division 2 of the Public Contract Code.

(4) Article 10 (commencing with Section 10285) of Chapter 1 of Part 2 of Division 2 of the Public Contract Code.

(b) Projects undertaken by a local agency under this article shall not be subject to the Local Agency Public Construction Act (Chapter 1 (commencing with Section 20100) of Part 3 of Division 2 of the Public Contract Code).

(c) Projects under this article shall be performed under contract awarded to the lowest responsible bidder, except that they may be done by day labor under the direction of the department or local agency, by contract upon informal bids, or by a combination thereof, in the discretion of the department or local agency.

180.2. Projects under this article for the structural modification of an existing highway structure or the replacement of a highway structure by a newly constructed highway structure within an existing right-of-way shall be considered to be activities under paragraph (4) of subdivision (b) of Section 21080 of the Public Resources Code.

180.3. (a) There is hereby created an ad hoc earthquake emergency and seismic retrofit permit review panel that shall consist of the Secretary of the Business, Transportation and Housing Agency, the Secretary for Environmental Protection, and the Secretary of the Resources Agency.

(b) The panel shall hear and approve or deny appeals for time extensions from permitting agencies requested pursuant to Section 180.4, and shall hear and approve or deny appeals from the department or local agency requested pursuant to Section 180.5.

180.4. (a) Notwithstanding any other provision of law, within 15 working days of receiving an application from the department or local agency for a permit for any project subject to this article, a permitting agency shall issue the permit with any conditions the permitting agency deems necessary or shall deny the permit.

(b) If the permitting agency fails to act upon the permit within 15 working days, the permit shall be deemed approved, unless the earthquake emergency and seismic retrofit permit review panel grants a time extension pursuant to Section 180.3. If the permitting agency is unable to issue or deny a permit within 15 working days, it may file an appeal for a time extension with the panel.

(c) Any permitting agency affected by this article may adopt procedures for expedited permits.

180.5. (a) If the permitting agency denies a permit, or if the department or local agency determines that a permit issued pursuant to Section 180.4 imposes unreasonable conditions that would lead to a significant delay in a seismic retrofit project, the department or local agency may file an appeal with the earthquake emergency and seismic retrofit permit review panel.

(b) Notwithstanding any other provision of law, if, at a duly noticed public meeting, the panel reviews a permit or a denial of a permit for which the department or local agency had filed an appeal pursuant to subdivision (a), and finds that the project is necessary for the preservation of the public peace, health, or safety within the meaning of Article IV of the California Constitution, the panel may waive the permit, amend any condition established by the permit, or issue a permit that has been denied by the permitting agency.

180.6. Projects under this article are not subject to Chapter 10 (commencing with Section 4525) of Division 5 of Title 1, or Chapter 6 (commencing with Section 14825) of Part 5.5 of Division 3 of Title 2 of the Government Code, or of Chapter 2 (commencing with Section 10290) of Part 2 of Division 2 of the Public Contract Code.

SEC. 9. Section 8 of this act is severable from the other provisions of this act so that if the inclusion of the provisions of Section 8 is held

to violate Section 9 of Article IV of the California Constitution, Section 8 of this act shall become inoperative.

SEC. 10. This act shall become operative only if Senate Bill 805 is chaptered.

SEC. 11. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to ensure that specified provisions of this act may properly be operative upon adoption by the voters at the direct primary election to be held on June 7, 1994, and that funds for earthquake repairs at state higher education institutions may be made available without delay, it is necessary that this act take effect immediately.

CHAPTER 16

An act to add Article 4.9 (commencing with Section 180) to Chapter 1 of Division 1 of the Streets and Highways Code, relating to streets and highways, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor March 15, 1994. Filed with
Secretary of State March 15, 1994.]

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

SECTION 1. Article 4.9 (commencing with Section 180) is added to Chapter 1 of Division 1 of the Streets and Highways Code, to read:

Article 4.9. Seismic Retrofit

180. (a) For the purposes of this article, "project" means any activity of seismic retrofit work that includes either the structural modification of an existing highway structure or the replacement of a highway structure by a newly constructed structure meeting seismic safety requirements.

(b) For the purpose of this article:

(1) "Permit" includes any permit, authorization, approval, or consent in any form.

(2) "Permitting agency" includes any city, county, city and county, and any state or local public agency.

180.1. (a) Projects under this article shall not be subject to the provisions of Chapter 1 (commencing with Section 10100) of Part 2 of Division 2 of the Public Contract Code, except the following:

(1) Article 1.5 (commencing with Section 10115) of Chapter 1 of Part 2 of Division 2 of the Public Contract Code, as to projects not subject to the provisions of Part 23 of Title 49 of the Code of Federal Regulations.

(2) Section 10128 of the Public Contract Code.

(3) Article 9 (commencing with Section 10280) of Chapter 1 of Part 2 of Division 2 of the Public Contract Code.

(4) Article 10 (commencing with Section 10285) of Chapter 1 of Part 2 of Division 2 of the Public Contract Code.

(b) Projects undertaken by a local agency under this article shall not be subject to the Local Agency Public Construction Act (Chapter 1 (commencing with Section 20100) of Part 3 of Division 2 of the Public Contract Code).

(c) Projects under this article shall be performed under contract awarded to the lowest responsible bidder, except that they may be done by day labor under the direction of the department or local agency, by contract upon informal bids, or by a combination thereof, in the discretion of the department or local agency.

(d) The Department of Transportation shall report at the end of each calendar quarter to the Joint Legislative Budget Committee and the committees in each house of the Legislature that consider transportation issues regarding the department's progress toward completion of seismic safety retrofit projects.

180.2. Projects under this article for the structural modification of an existing highway structure or the replacement of a highway structure by a newly constructed highway structure within an existing right-of-way shall be considered to be activities under paragraph (4) of subdivision (b) of Section 21080 of the Public Resources Code.

180.3. (a) There is hereby created an ad hoc earthquake emergency and seismic retrofit permit review panel that shall consist of the Secretary of the Business, Transportation and Housing Agency, the Secretary for Environmental Protection, and the Secretary of the Resources Agency.

(b) The panel shall hear and approve or deny appeals for time extensions from permitting agencies requested pursuant to Section 180.4, and shall hear and approve or deny appeals from the department or local agency requested pursuant to Section 180.5.

180.4. (a) Notwithstanding any other provision of law, within 15 working days of receiving an application from the department or local agency for a permit for any project subject to this article, a permitting agency shall issue the permit with any conditions the permitting agency deems necessary or shall deny the permit.

(b) If the permitting agency fails to act upon the permit within 15 working days, the permit shall be deemed approved, unless the earthquake emergency and seismic retrofit permit review panel grants a time extension pursuant to Section 180.3. If the permitting agency is unable to issue or deny a permit within 15 working days, it may file an appeal for a time extension with the panel.

(c) Any permitting agency affected by this article may adopt procedures for expedited permits.

180.5. (a) If the permitting agency denies a permit, or if the department or local agency determines that a permit issued

pursuant to Section 180.4 imposes unreasonable conditions that would lead to a significant delay in a seismic retrofit project, the department or local agency may file an appeal with the earthquake emergency and seismic retrofit permit review panel.

(b) Notwithstanding any other provision of law, if, at a duly noticed public meeting, the panel reviews a permit or a denial of a permit for which the department or local agency had filed an appeal pursuant to subdivision (a), and finds that the project is necessary for the preservation of the public peace, health, or safety within the meaning of Article IV of the California Constitution, the panel may waive the permit, amend any condition established by the permit, or issue a permit that has been denied by the permitting agency.

180.6. Projects under this article are not subject to Chapter 10 (commencing with Section 4525) of Division 5 of Title 1, or Chapter 6 (commencing with Section 14825) of Part 5.5 of Division 3 of Title 2 of the Government Code, or of Chapter 2 (commencing with Section 10290) of Part 2 of Division 2 of the Public Contract Code.

SEC. 2. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to provide for the seismic retrofit of state highways as soon as possible, it is necessary for this act to take effect immediately.

SEC. 3. This act shall become operative only if Section 10 of Senate Bill 131 of the 1993-94 Regular Session, which would add Article 4.9 (commencing with Section 180) to Chapter 1 of Division 1 of the Streets and Highways Code, is enacted but becomes inoperative and, in that case, this act shall become operative at the same time that Section 10 of Senate Bill 131 becomes inoperative.

CHAPTER 17

An act to amend Sections 17207 and 24347.5 of, and to add Sections 195.71, 195.72, and 195.73 to, the Revenue and Taxation Code, relating to taxation, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor March 15, 1994. Filed with
Secretary of State March 15, 1994.]

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

SECTION 1. Section 195.71 is added to the Revenue and Taxation Code, to read:

195.71. In the 1993-94 fiscal year, or as soon as possible thereafter, the county auditor of an eligible county, proclaimed by the Governor to be in a state of disaster as a result of earthquake, aftershock, or any other related casualty that occurred in the Counties of Los Angeles,

Orange, and Ventura, on or after January 17 in 1994, shall certify to the Director of Finance an estimate of the total amount of the reduction in property tax revenues on both the regular secured roll and the supplemental roll for that fiscal year resulting from the reassessment of eligible properties by the county assessor pursuant to Section 170, except that the amount certified shall not include any estimated property tax revenue reductions to school districts (other than basic state aid school districts) and county offices of education. For purposes of this section, "basic state aid school district" means any school district that does not receive a state apportionment pursuant to subdivision (h) of Section 42238 of the Education Code, but receives from the state only a basic apportionment pursuant to Section 6 of Article IX of the California Constitution.

SEC. 2. Section 195.72 is added to the Revenue and Taxation Code, to read:

195.72. After the county auditor of an eligible county, as described in Section 195.71, has made the applicable certification to the Director of Finance pursuant to Section 195.71, the director shall, within 30 days after verification of the county auditor's estimate, certify this amount to the Controller for allocation to the county. Upon receipt of certification from the Director of Finance, the Controller shall make the appropriate allocation to the county within 10 working days thereafter.

SEC. 3. Section 195.73 is added to the Revenue and Taxation Code, to read:

195.73. On or before December 31, 1994, each eligible county, as described in Section 195.71, shall compute and remit to the Controller for deposit in the General Fund an amount equal to the amount allocated to it by the Controller pursuant to Section 195.71, less the actual amount of its property tax revenue lost in the immediately preceding fiscal year on the regular secured and supplemental rolls with respect to eligible properties as a result of the reassessment of those properties pursuant to Section 170, excluding any property tax revenue lost by school districts (other than basic state aid school districts) and county offices of education. If the actual amount of property tax revenue lost by an eligible county in the immediately preceding fiscal year, as described and limited in the preceding sentence, exceeds the amount allocated by the Controller to that county pursuant to Section 195.72, the Controller shall allocate the amount of that excess to that eligible county. For purposes of this section, "basic state aid school district" means any school district that does not receive a state apportionment pursuant to subdivision (h) of Section 42238 of the Education Code, but receives from the state only a basic apportionment pursuant to Section 6 of Article IX of the California Constitution.

SEC. 4. Section 17207 of the Revenue and Taxation Code is amended to read:

17207. (a) For disaster losses that qualify for treatment under Section 165(i) of the Internal Revenue Code, to the extent that those

losses, as computed pursuant to Section 165(a) of the Internal Revenue Code, exceed the adjusted taxable income of the year of loss or, if the election under Section 165(i) of the Internal Revenue Code is made, the adjusted taxable income of the year preceding the loss, then that "excess loss," at the election of the taxpayer, may be carried to other taxable years as provided in subdivision (b), with respect to disaster losses resulting from any of the following:

(1) Forest fire or any other related casualty occurring in 1985 in California.

(2) Storm, flooding, or any other related casualty occurring in 1986 in California.

(3) Any loss sustained during 1987 as a result of a forest fire or any other related casualty.

(4) Earthquake, aftershock, or any other related casualty occurring in 1987 in California.

(5) Earthquake, aftershock, or any other related casualty occurring in 1989 in California.

(6) Any loss sustained during 1990 as a result of fire or any other related casualty in California.

(7) For taxable years beginning on or after January 1, 1991, any loss sustained as a result of the Oakland/Berkeley Fire of 1991, or any other related casualty.

(8) Any loss sustained as a result of storm, flooding, or any other related casualty occurring in February 1992 in California.

(9) Earthquake, aftershock, or any other related casualty occurring in April 1992 in the County of Humboldt.

(10) Riots, arson, or any other related casualty occurring in April or May 1992 in California.

(11) Any loss sustained as a result of the earthquakes that occurred in the County of San Bernardino in June and July of 1992, or any other related casualty.

(12) Any loss sustained as a result of the Fountain Fire that occurred in the County of Shasta, or as a result of either of the fires in the Counties of Calaveras and Trinity that occurred in August 1992, or any other related casualty.

(13) Any loss sustained in the County of Los Angeles, Orange, or Ventura as a result of the Northridge Earthquake that occurred in January of 1994, any subsequent aftershock, or any other related casualty.

(b) For losses covered by Sections 165(c) (1) and 165(c) (2) of the Internal Revenue Code, relating to trade or business losses, losses resulting from transactions entered into for profit, and for losses covered by Section 165(c) (3) of the Internal Revenue Code, relating to personal casualty losses, the "excess loss" may be carried forward to each of the five taxable years following the year the loss is claimed. However, if there is any "excess loss" remaining after the five-year period, then 50 percent of that "excess loss" may be carried forward to each of the next 10 taxable years.

(c) The entire amount of any "excess loss" as defined in

subdivision (a) shall be carried to the earliest of the taxable years to which, by reason of subdivision (b), the loss may be carried. The portion of the loss which shall be carried to each of the other taxable years shall be the excess, if any, of the amount of "excess loss" over the sum of the adjusted taxable income for each of the prior taxable years to which that "excess loss" may be carried.

(d) The provisions of this section and Section 165(i) of the Internal Revenue Code shall be applicable to any of the following losses sustained in any county or city in this state which was proclaimed by the Governor to be in a state of disaster:

(1) Any loss sustained during February 1986 as a result of storm, flooding, or any other related casualty.

(2) Any loss sustained during 1987 as a result of forest fire or any other related casualty.

(3) Any loss sustained during October 1987 as the result of earthquake, aftershock, or any other related casualty.

(4) Any loss resulting from the earthquake which occurred in October 1989, aftershock, or any other related casualty.

(5) Any loss sustained during 1990 as the result of fire in the County of Santa Barbara.

(6) Any loss sustained as a result of storm, flooding, or any other related casualty occurring in February 1992 in California.

(7) For taxable years beginning on or after January 1, 1991, any loss sustained as a result of the Oakland/Berkeley Fire of 1991, or any other related casualty.

(8) Any loss sustained during April 1992 as a result of earthquake, aftershock, or any other related casualty in the County of Humboldt.

(9) Any loss sustained during April or May 1992 as a result of riots, arson, or any other related casualty.

(10) Any loss sustained as a result of earthquakes that occurred in the County of San Bernardino in June and July of 1992, or any other related casualty.

(11) Any loss sustained as a result of the Fountain Fire that occurred in the County of Shasta, or as a result of either of the fires in the Counties of Calaveras and Trinity that occurred in August 1992, or any other related casualty.

(12) Any loss sustained in the County of Los Angeles, Orange, or Ventura as a result of the Northridge Earthquake that occurred in January of 1994, any subsequent aftershock, or any other related casualty.

(e) Losses described in this section may not be taken into account in computing a net operating loss deduction under Section 17201, as modified by Sections 17276, 17276.1, and 17276.2.

(f) For purposes of this section, "adjusted taxable income" shall be defined by Section 1212(b) (2) (B) of the Internal Revenue Code.

(g) For losses described in paragraph (13) of subdivision (a) and paragraph (12) of subdivision (d), the election under Section 165(i) of the Internal Revenue Code may be made on a return or amended return filed on or before the due date of the return (determined with

regard to extension) for the taxable year in which the disaster occurred.

SEC. 4.5. Section 17207 of the Revenue and Taxation Code is amended to read:

17207. (a) For disaster losses that qualify for treatment under Section 165(i) of the Internal Revenue Code, to the extent that those losses, as computed pursuant to Section 165(a) of the Internal Revenue Code, exceed the adjusted taxable income of the year of loss or, if the election under Section 165(i) of the Internal Revenue Code is made, the adjusted taxable income of the year preceding the loss, then that "excess loss," at the election of the taxpayer, may be carried to other taxable years as provided in subdivision (b), with respect to disaster losses resulting from any of the following:

(1) Forest fire or any other related casualty occurring in 1985 in California.

(2) Storm, flooding, or any other related casualty occurring in 1986 in California.

(3) Any loss sustained during 1987 as a result of a forest fire or any other related casualty.

(4) Earthquake, aftershock, or any other related casualty occurring in 1987 in California.

(5) Earthquake, aftershock, or any other related casualty occurring in 1989 in California.

(6) Any loss sustained during 1990 as a result of fire or any other related casualty in California.

(7) For taxable years beginning on or after January 1, 1991, any loss sustained as a result of the Oakland/Berkeley Fire of 1991, or any other related casualty.

(8) Any loss sustained as a result of storm, flooding, or any other related casualty occurring in February 1992 in California.

(9) Earthquake, aftershock, or any other related casualty occurring in April 1992 in the County of Humboldt.

(10) Riots, arson, or any other related casualty occurring in April or May 1992 in California.

(11) Any loss sustained as a result of the earthquakes that occurred in the County of San Bernardino in June and July of 1992, or any other related casualty.

(12) Any loss sustained as a result of the Fountain Fire that occurred in the County of Shasta, or as a result of either of the fires in the Counties of Calaveras and Trinity that occurred in August 1992, or any other related casualty.

(13) Any loss sustained as a result of a fire that occurred in the County of Los Angeles, Orange, Riverside, San Bernardino, San Diego, or Ventura, during October or November of 1993, or any other related casualty.

(14) Any loss sustained in the County of Los Angeles, Orange, or Ventura as a result of the Northridge Earthquake that occurred in January of 1994, any subsequent aftershock, or any other related casualty.

(b) For losses covered by Sections 165(c) (1) and 165(c) (2) of the Internal Revenue Code, relating to trade or business losses, losses resulting from transactions entered into for profit, and for losses covered by Section 165(c) (3) of the Internal Revenue Code, relating to personal casualty losses, the "excess loss" may be carried forward to each of the five taxable years following the year the loss is claimed. However, if there is any "excess loss" remaining after the five-year period, then 50 percent of that "excess loss" may be carried forward to each of the next 10 taxable years.

(c) The entire amount of any "excess loss" as defined in subdivision (a) shall be carried to the earliest of the taxable years to which, by reason of subdivision (b), the loss may be carried. The portion of the loss which shall be carried to each of the other taxable years shall be the excess, if any, of the amount of "excess loss" over the sum of the adjusted taxable income for each of the prior taxable years to which that "excess loss" may be carried.

(d) The provisions of this section and Section 165(i) of the Internal Revenue Code shall be applicable to any of the following losses sustained in any county or city in this state which was proclaimed by the Governor to be in a state of disaster:

(1) Any loss sustained during February 1986 as a result of storm, flooding, or any other related casualty.

(2) Any loss sustained during 1987 as a result of forest fire or any other related casualty.

(3) Any loss sustained during October 1987 as the result of earthquake, aftershock, or any other related casualty.

(4) Any loss resulting from the earthquake which occurred in October 1989, aftershock, or any other related casualty.

(5) Any loss sustained during 1990 as the result of fire in the County of Santa Barbara.

(6) Any loss sustained as a result of storm, flooding, or any other related casualty occurring in February 1992 in California.

(7) For taxable years beginning on or after January 1, 1991, any loss sustained as a result of the Oakland/Berkeley Fire of 1991, or any other related casualty.

(8) Any loss sustained during April 1992 as a result of earthquake, aftershock, or any other related casualty in the County of Humboldt.

(9) Any loss sustained during April or May 1992 as a result of riots, arson, or any other related casualty.

(10) Any loss sustained as a result of earthquakes that occurred in the County of San Bernardino in June and July of 1992, or any other related casualty.

(11) Any loss sustained as a result of the Fountain Fire that occurred in the County of Shasta, or as a result of either of the fires in the Counties of Calaveras and Trinity that occurred in August 1992, or any other related casualty.

(12) Any loss sustained as a result of a fire that occurred in the County of Los Angeles, Orange, Riverside, San Bernardino, San Diego, or Ventura, during October or November of 1993, or any

other related casualty.

(13) Any loss sustained in the County of Los Angeles, Orange, or Ventura as a result of the Northridge Earthquake that occurred in January of 1994, any subsequent aftershock, or any other related casualty.

(e) Losses described in this section may not be taken into account in computing a net operating loss deduction under Section 17201, as modified by Sections 17276, 17276.1, and 17276.2.

(f) For purposes of this section, "adjusted taxable income" shall be defined by Section 1212(b)(2)(B) of the Internal Revenue Code.

(g) For losses described in paragraphs (13) and (14) of subdivision (a) and paragraphs (12) and (13) of subdivision (d), the election under Section 165(i) of the Internal Revenue Code may be made on a return or amended return filed on or before the due date of the return (determined with regard to extension) for the taxable year in which the disaster occurred.

SEC. 5. Section 24347.5 of the Revenue and Taxation Code is amended to read:

24347.5. (a) In lieu of Section 24347, Section 165(i) of the Internal Revenue Code, relating to disaster losses, shall apply to each of the following:

(1) Forest fire or any other related casualty occurring in 1985 in California.

(2) Storm, flooding, or any other related casualty occurring in 1986 in California.

(3) Any loss sustained during 1987 as a result of a forest fire or any other related casualty.

(4) Earthquake, aftershock, or any other related casualty occurring in October 1987 in California.

(5) Earthquake, aftershock, or any related casualty occurring in October 1989 in California.

(6) Any loss sustained during 1990 as a result of fire or any other related casualty in California.

(7) Earthquake, aftershock, or any other related casualty occurring in April 1992 in the County of Humboldt.

(8) Riots, arson, or any other related casualty occurring in April or May 1992 in California.

(9) Any loss sustained in the County of Los Angeles, Orange, or Ventura as a result of the Northridge Earthquake that occurred in January of 1994, any subsequent aftershock, or any other related casualty.

(b) To the extent that losses under subdivision (a) exceed the net income of the year of loss or, if the election under Section 165(i) of the Internal Revenue Code is made, the net income of the year preceding the loss, then that "excess loss," at the election of the taxpayer, may be carried forward to each of the five income years following the income year the loss is claimed. However, if there is any "excess loss" remaining after the five-year period, then 50 percent of that "excess loss" may be carried forward to each of the next 10

income years.

(c) The entire amount of any "excess loss" as defined in subdivision (b) shall be carried to the earliest of the income years to which, by reason of subdivision (b), the loss may be carried. The portion of the loss which shall be carried to each of the other income years shall be the excess, if any, of the amount of "excess loss" over the sum of the net income for each of the prior income years to which that "excess loss" may be carried.

(d) This section and Section 165(i) of the Internal Revenue Code shall be applicable to any of the following losses sustained in any county or city in this state which was proclaimed by the Governor to be in a state of disaster:

(1) Any loss sustained during February 1986 as a result of storm, flooding, or any other related casualty.

(2) Any loss sustained during 1987 as a result of forest fire or any other related casualty.

(3) Any loss sustained during October 1987 as the result of earthquake, aftershock, or any other related casualty.

(4) Any loss resulting from the earthquake which occurred in October 1989, aftershock, or any other related casualty.

(5) Any loss sustained during 1990 as the result of fire in the County of Santa Barbara.

(6) Any loss sustained during April 1992 as a result of earthquake, aftershock, or any other related casualty in the County of Humboldt.

(7) Any loss sustained during April or May 1992 as a result of riots, arson, or any other related casualty.

(8) Any loss sustained in the County of Los Angeles, Orange, or Ventura as a result of the Northridge Earthquake that occurred in January of 1994, any subsequent aftershock, or any other related casualty.

(e) Any corporation subject to the provisions of Section 25101 or 25101.15 that has disaster losses pursuant to this section, shall determine the "excess loss" to be carried to other income years under the principles specified in Section 25108 relating to net operating losses.

(f) Losses described in this section may not be taken into account in computing a net operating loss deduction under Section 24416 or 24416.1.

(g) For losses described in paragraph (9) of subdivision (a) and paragraph (8) of subdivision (d), the election under Section 165(i) of the Internal Revenue Code may be made on a return or amended return filed on or before the due date of the return (determined with regard to extension) for the income year in which the disaster occurred.

SEC. 5.5. Section 24347.5 of the Revenue and Taxation Code is amended to read:

24347.5. (a) In lieu of Section 24347, Section 165(i) of the Internal Revenue Code, relating to disaster losses, shall apply to each of the following:

(1) Forest fire or any other related casualty occurring in 1985 in California.

(2) Storm, flooding, or any other related casualty occurring in 1986 in California.

(3) Any loss sustained during 1987 as a result of a forest fire or any other related casualty.

(4) Earthquake, aftershock, or any other related casualty occurring in October 1987 in California.

(5) Earthquake, aftershock, or any related casualty occurring in October 1989 in California.

(6) Any loss sustained during 1990 as a result of fire or any other related casualty in California.

(7) Earthquake, aftershock, or any other related casualty occurring in April 1992 in the County of Humboldt.

(8) Riots, arson, or any other related casualty occurring in April or May 1992 in California.

(9) Any loss sustained as a result of a fire that occurred in the County of Los Angeles, Orange, Riverside, San Bernardino, San Diego, or Ventura, during October or November of 1993, or any other related casualty.

(10) Any loss sustained in the County of Los Angeles, Orange, or Ventura as a result of the Northridge Earthquake that occurred in January of 1994, any subsequent aftershock, or any other related casualty.

(b) To the extent that losses under subdivision (a) exceed the net income of the year of loss or, if the election under Section 165(i) of the Internal Revenue Code is made, the net income of the year preceding the loss, then that "excess loss," at the election of the taxpayer, may be carried forward to each of the five income years following the income year the loss is claimed. However, if there is any "excess loss" remaining after the five-year period, then 50 percent of that "excess loss" may be carried forward to each of the next 10 income years.

(c) The entire amount of any "excess loss" as defined in subdivision (b) shall be carried to the earliest of the income years to which, by reason of subdivision (b), the loss may be carried. The portion of the loss which shall be carried to each of the other income years shall be the excess, if any, of the amount of "excess loss" over the sum of the net income for each of the prior income years to which that "excess loss" may be carried.

(d) This section and Section 165(i) of the Internal Revenue Code shall be applicable to any of the following losses sustained in any county or city in this state which was proclaimed by the Governor to be in a state of disaster:

(1) Any loss sustained during February 1986 as a result of storm, flooding, or any other related casualty.

(2) Any loss sustained during 1987 as a result of forest fire or any other related casualty.

(3) Any loss sustained during October 1987 as the result of

earthquake, aftershock, or any other related casualty.

(4) Any loss resulting from the earthquake which occurred in October 1989, aftershock, or any other related casualty.

(5) Any loss sustained during 1990 as the result of fire in the County of Santa Barbara.

(6) Any loss sustained during April 1992 as a result of earthquake, aftershock, or any other related casualty in the County of Humboldt.

(7) Any loss sustained during April or May 1992 as a result of riots, arson, or any other related casualty.

(8) Any loss sustained as a result of a fire that occurred in the County of Los Angeles, Orange, Riverside, San Bernardino, San Diego, or Ventura, during October or November of 1993, or any other related casualty.

(9) Any loss sustained in the County of Los Angeles, Orange, or Ventura as a result of the Northridge Earthquake that occurred in January of 1994, any subsequent aftershock, or any other related casualty.

(e) Any corporation subject to the provisions of Section 25101 or 25101.15 that has disaster losses pursuant to this section, shall determine the "excess loss" to be carried to other income years under the principles specified in Section 25108 relating to net operating losses.

(f) Losses described in this section may not be taken into account in computing a net operating loss deduction under Section 24416 or 24416.1.

(g) For losses described in paragraphs (9) and (10) of subdivision (a) and paragraphs (8) and (9) of subdivision (d), the election under Section 165(i) of the Internal Revenue Code may be made on a return or amended return filed on or before the due date of the return (determined with regard to extension) for the income year in which the disaster occurred.

SEC. 6. The Legislature finds and declares that this act fulfills a statewide public purpose because of both of the following:

(a) The Governor of California has officially proclaimed that the earthquake and aftershocks that occurred in the Counties of Los Angeles, Orange, and Ventura on or after January 17 in 1994 were disasters, thus qualifying persons affected for various forms of governmental assistance and relief.

(b) This act is consistent with and supplements the proclaimed disaster relief by providing necessary tax relief to affected taxpayers to allow them to repair damage to, and to restore, their homes and businesses.

SEC. 7. Sections 4.5 and 5.5 of this bill incorporate amendments to Sections 17207 and 24347.5 of the Revenue and Taxation Code proposed by both this bill and SB 1234. These sections shall only become operative if (1) both bills are enacted and become effective on or before January 1, 1995, (2) each bill amends Sections 17207 and 24347.5 of the Revenue and Taxation Code, and (3) this bill is enacted after SB 1234, in which case Sections 4 and 5 of this bill shall not

become operative.

SEC. 8. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to provide, as soon as possible, essential tax relief to those persons who suffered damage to their homes or property as a result of the earthquake, aftershocks, and related casualties that occurred in the Counties of Los Angeles, Orange, and Ventura on or after January 17 in 1994, it is necessary that this act take effect immediately.

CHAPTER 18

An act to add Chapter 12.3 (commencing with Section 67010) to Part 40 of the Education Code, relating to funding higher education facilities through the issuance and sale of bonds of the State of California, and by providing for the handling and disposition of those funds, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor March 15, 1994. Filed with
Secretary of State March 15, 1994.]

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

SECTION 1. Chapter 12.3 (commencing with Section 67010) is added to Part 40 of the Education Code, to read:

CHAPTER 12.3. HIGHER EDUCATION FACILITIES BOND ACT OF JUNE 1994

Article 1. General Provisions

67010. This chapter shall be known and may be cited as the Higher Education Facilities Bond Act of June 1994.

67011. The Legislature finds and declares all of the following:

(a) California's economic and social prosperity relies on a higher education system that keeps pace with California's growth. In the coming decades, the state's economic prosperity will depend on increasing the productivity of the work force and on the ability to compete successfully in the world marketplace.

(b) The system of public higher education in this state includes the University of California containing nine campuses, the California State University containing 20 campuses, the California Community Colleges consisting of 71 districts containing 107 campuses, the Hastings College of the Law, the California Maritime Academy, and their respective off-campus centers. Each of these institutions plays a vital role in maintaining California's dominance in higher

education in the United States.

(c) Over the last several years, studies have been completed by the University of California, the California State University, and the California Community Colleges to assess their long-term and short-term capital needs. Those studies demonstrate that the long-term and short-term needs total, in the aggregate, several million dollars.

(d) The purpose of the Higher Education Facilities Bond Act of June 1994 is to assist in meeting the capital outlay financing needs of California's public higher education system.

67012. As used in this chapter, the following terms have the following meanings:

(a) "Committee" means the Higher Education Facilities Finance Committee created pursuant to Section 67353.

(b) "Fund" means the 1994 Higher Education Capital Outlay Bond Fund created pursuant to Section 67013.

Article 2. Higher Education Facilities Bond Act Program

67013. The proceeds of bonds issued and sold pursuant to this chapter shall be deposited in the 1994 Higher Education Capital Outlay Bond Fund, which is hereby created.

67014. The committee shall be and is hereby authorized to create a debt or debts, liability or liabilities, of the State of California pursuant to this chapter for the purpose of funding aid to the University of California, the California State University, the California Community Colleges, the Hastings College of the Law, and the California Maritime Academy for the construction, including the construction of buildings and the acquisition of related fixtures; the equipping of new, renovated, or reconstructed facilities; funding for the payment of preconstruction costs, including, but not limited to, preliminary plans and working drawings; renovation and reconstruction of facilities; and the construction or improvement of off-campus facilities of the California State University approved by the Trustees of the California State University on or before July 1, 1990, including the acquisition of sites upon which these facilities are to be constructed.

The addition of the Hastings College of the Law to this section is not intended to mark a change from the funding authorizations made by Section 67354, as contained in the Higher Education Facilities Bond Act of 1986, or Section 67334, as contained in the Higher Education Facilities Bond Act of 1988, but is intended to state more clearly what was intended by the Legislature in those sections as well.

Article 3. Fiscal Provisions

67015. (a) Bonds in the total amount of nine hundred million dollars (\$900,000,000), not including the amount of any refunding

bonds issued in accordance with Section 67023, or so much thereof as is necessary, may be issued and sold to provide a fund to be used for carrying out the purposes expressed in this chapter and to reimburse the General Obligation Bond Expense Revolving Fund pursuant to Section 16724.5 of the Government Code. The bonds shall, when sold, be and constitute a valid and binding obligation of the State of California, and the full faith and credit of the State of California is hereby pledged for the punctual payment of both principal of, and interest on, the bonds as the principal and interest become due and payable.

(b) Pursuant to this section, the Treasurer shall sell the bonds authorized by the committee at any different times necessary to service expenditures required by the apportionments.

67016. The bonds authorized by this chapter shall be prepared, executed, issued, sold, paid, and redeemed as provided in the State General Obligation Bond Law (Chapter 4 (commencing with Section 16720) of Part 3 of Division 4 of Title 2 of the Government Code), and all of the provisions of that law shall apply to the bonds and to this chapter and are hereby incorporated in this chapter as though set forth in full in this chapter. For purposes of the State General Obligation Bond Law, each state agency administering an appropriation of the bond fund is designated as the "board" for projects funded by those appropriations.

67017. The committee shall authorize the issuance of bonds under this chapter only to the extent necessary to fund the apportionments that are expressly authorized by the Legislature in the annual Budget Act. Pursuant to that legislative direction, the committee shall determine whether or not it is necessary or desirable to issue bonds authorized pursuant to this chapter in order to carry out the actions specified in Section 67014 and, if so, the amount of bonds to be issued and sold. Successive issues of bonds may be authorized and sold to carry out those actions progressively, and it is not necessary that all of the bonds authorized to be issued be sold at any one time.

67018. There shall be collected each year and in the same manner and at the same time as other state revenue is collected, in addition to the ordinary revenues of the state, a sum in an amount required to pay the principal of, and interest on, the bonds each year, and it is the duty of all officers charged by law with any duty in regard to the collection of the revenue to do and perform each and every act that is necessary to collect that additional sum.

67019. Notwithstanding Section 13340 of the Government Code, there is hereby appropriated from the General Fund in the State Treasury, for the purposes of this chapter, an amount that will equal the total of the following:

(a) The sum annually necessary to pay the principal of, and interest on, bonds issued and sold pursuant to this chapter, as the principal and interest become due and payable.

(b) The sum necessary to carry out the provisions of Section 67020,

appropriated without regard to fiscal years.

67020. (a) For the purposes of carrying out this chapter, the Director of Finance may, by executive order, authorize the withdrawal from the General Fund of an amount or amounts not to exceed the amount of the unsold bonds that have been authorized by the committee to be sold for the purpose of carrying out this chapter. Any amounts withdrawn shall be deposited in the fund. Any money made available under this section shall be returned to the General Fund, together with interest at the rate paid on moneys in the Pooled Money Investment Account, from money received from the sale of bonds for the purpose of carrying out this chapter.

(b) Any request forwarded to the Legislature and the Department of Finance for funds from this bond issue for expenditure for the purposes described in Section 67014 by the University of California, the California State University, or the California Community Colleges shall be accompanied by the five-year capital outlay plan of the particular university or college and shall include a schedule that prioritizes the seismic retrofitting needed to significantly reduce, by the 2000-01 fiscal year, in the judgment of the particular university or college, seismic hazards in buildings identified as high priority by the university or college.

67021. All money deposited in the fund that is derived from premium and accrued interest on bonds sold shall be reserved in the fund and shall be available for transfer to the General Fund as a credit to expenditures for bond interest.

67022. The board may request the Pooled Money Investment Board for a loan from the Pooled Money Investment Account, in accordance with Section 16312 of the Government Code, and may execute those documents required by the Pooled Money Investment Board to obtain and repay the loan. The loan shall be deposited in the fund for the purpose of carrying out the provisions of this chapter. The amount of the loan shall not exceed the amount of the unsold bonds that the committee, by resolution, has authorized to be sold for the purposes of this chapter.

67023. Any bonds issued and sold pursuant to this chapter may be refunded by the issuance and sale or exchange of refunding bonds in accordance with Article 6 (commencing with Section 16780) of Chapter 4 of Part 3 of Division 4 of Title 2 of the Government Code. The approval by the electors of this state of the issuance and sale of bonds under this chapter includes approval of the issuance and sale or exchange of any bonds issued to refund either those bonds or any previously issued refunding bonds.

67024. Notwithstanding any provision of this chapter or the State General Obligation Bond Law set forth in Chapter 4 (commencing with Section 16720) of Part 3 of Division 4 of Title 2 of the Government Code, if the Treasurer sells bonds pursuant to this chapter that include a bond counsel opinion to the effect that the interest on the bonds is excluded from gross income for federal tax purposes under designated conditions, the Treasurer may maintain

separate accounts for the investment of bond proceeds and the investment earnings on these proceeds, and the Treasurer shall be authorized to use or direct the use of these proceeds or earnings to pay any rebate, penalty, or other payment required under federal law or to take any other action with respect to the investment and use of bond proceeds required or desirable under federal law so as to maintain the tax-exempt status of those bonds and to obtain any other advantage under federal law on behalf of the funds of this state.

67025. The Legislature hereby finds and declares that, inasmuch as the proceeds from the sale of bonds authorized by this chapter are not "proceeds of taxes" as that term is used in Article XIII B of the California Constitution, the disbursement of these proceeds is not subject to the limitations imposed by that article.

SEC. 2. Section 1 of this act shall take effect upon the adoption by the voters of the Higher Education Facilities Bond Act of June 1994, set forth in Section 1 of this act.

SEC. 3. (a) Notwithstanding Sections 3525, 3528, 3529, 3560, and 3578 of the Elections Code, or any other provision of law, Section 1 of this act shall be submitted to the voters at the June 7, 1994, direct primary election.

(b) The Secretary of State shall ensure the placement of Section 1 of this act on the June 7, 1994, direct primary election ballot, in substantial compliance with any statutory time requirements applicable to the submission of statewide measures to the voters at a statewide election.

(c) The Secretary of State shall include, in the ballot pamphlet mailed pursuant to Section 3578 of the Elections Code, the information specified in Section 3570 of that code regarding the bond act contained in Section 1 of this act.

SEC. 4. Notwithstanding any other provision of law, all ballots of the election shall have printed thereon and in a square thereof, the words: "Higher Education Facilities Bond Act of June 1994," and in the same square under those words, the following in 8-point type: "To renew California's economic vitality and to regain our state's high quality of life, this act authorizes a bond issue of nine hundred million dollars (\$900,000,000) for the strengthening, upgrading, and constructing of public colleges and universities throughout the state. These projects will create jobs and strengthen the state's economy by providing adult and student job training opportunities and by enabling public colleges and universities to prepare a well-trained and competitive workforce. They will repair and rebuild college classrooms, which will strengthen college campuses to prevent injuries in future earthquakes. They will provide alternatives to crime and gangs by ensuring access to higher education. They will improve the quality of learning at public campuses by improving classrooms and providing modern teaching technologies. Authorized projects for the 136 public campuses include, but are not necessarily limited to, earthquake and other health and safety improvements, upgrading of laboratories to keep up with scientific advances,

improving and modernizing campus computer capabilities, and construction of classrooms and libraries. No moneys derived from the sale of the bonds will be expended for administrative overhead.” Opposite the square, there shall be left spaces in which the voters may place a cross in the manner required by law to indicate whether they vote for or against the act.

Where the voting in the election is done by means of voting machines used pursuant to law in the manner that carries out the intent of this section, the use of the voting machines and the expression of the voters’ choice by means thereof are in compliance with this section.

SEC. 5. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

This bill would provide the people of California with an opportunity to provide funding in 1994 for critically needed higher education facilities. In order that the Higher Education Facilities Bond Act of June 1994 contained in Section 1 of this act, which provides for this funding, be included on the June 7, 1994, primary election ballot, it is necessary that the act take effect immediately.

CHAPTER 19

An act to add Chapter 22.2 (commencing with Section 17766) to Part 10 of the Education Code, and to repeal Section 65997 of the Government Code, relating to funding school construction through the issuance and sale of bonds of the State of California and by providing for the handling and disposition of those funds, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor March 15, 1994. Filed with
Secretary of State March 15, 1994.]

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

SECTION 1. Chapter 22.2 (commencing with Section 17766) is added to Part 10 of Education Code, to read:

CHAPTER 22.2. SCHOOL FACILITIES BOND ACT OF 1994

Article 1. General Provisions

17766. This chapter shall be known and may be cited as the Safe Schools Act of 1994.

17766.10. As used in this chapter, the following terms have the following meanings:

(a) “Committee” means the State School Building Finance

Committee created pursuant to Section 15909.

(b) "Fund" means the State School Building Lease-Purchase Fund.

Article 2. Program Provisions

17766.15. The proceeds of bonds issued and sold pursuant to this chapter shall be deposited in the fund.

17766.20. All moneys deposited in the fund shall be available to provide aid to school districts of the state in accordance with the Leroy F. Greene State School Building Lease-Purchase Law of 1976 (Chapter 22 (commencing with Section 17700)), and of all acts amendatory thereof and supplementary thereto, to provide aid to school districts of the state in accordance with Section 17766.30, to provide funds to repay any money advanced or loaned to the State School Building Lease-Purchase Fund under any act of the Legislature, together with interest provided for in that act, and to reimburse the General Obligation Bond Expense Revolving Fund pursuant to Section 16724.5 of the Government Code.

17766.30. (a) Of the proceeds from the sale of bonds pursuant to this chapter, not more than four hundred million dollars (\$400,000,000) may be used for one or more of the following purposes:

(1) The acquisition of portable classrooms for use in accordance with Chapter 25 (commencing with Section 17785).

(2) The reconstruction or modernization of facilities pursuant to Chapter 22 (commencing with Section 17700). In addition to the current program requirements, the State Allocation Board may allocate funding pursuant to this subdivision for the reconstruction or modernization of any existing structure, including the wiring and cabling in that structure, to enable that structure to accommodate computers and other high technology equipment.

(3) The purchase and installation of air-conditioning equipment and insulation materials, and related costs, pursuant to Section 42250.1 for schools operated on a year-round multitrack schedule in a manner that increases school capacity and reduces or eliminates the school district's need for the construction of additional classroom space.

(4) Project funding for applicant districts under Chapter 22 (commencing with Section 17700) that have incurred or will incur enrollment increases due to the locating or expansion of state or federal prisons.

(5) The acquisition of relocatable child care and development facilities for the purpose of providing extended day care services pursuant to Article 22 (commencing with Section 8460) of Chapter 2 of Part 6.

(6) Project funding, without regard to funding priorities, for applicant county boards of education under Chapter 22 (commencing with Section 17700) that are eligible for that funding

for classrooms for severely handicapped pupils.

(7) Project funding for applicant districts under Chapter 22 (commencing with Section 17700) that are eligible for that funding, but that lack funding priority due to the size of pupil enrollment in the district.

(8) Project funding for high priority roof replacement projects.

(9) Construction projects or the purchase of furniture or equipment designed to increase school security.

(10) The identification, assessment, or abatement of hazardous asbestos in school facilities, pursuant to either Chapter 22 (commencing with Section 17700) or Section 39619.6.

(11) The reconstruction or modernization of facilities pursuant to Chapter 22 (commencing with Section 17700). Notwithstanding Section 17721.3, the State Allocation Board may allocate funding pursuant to this subdivision for the reconstruction or modernization of an existing structure in an amount that exceeds 25 percent of the replacement cost of that structure in order to finance structural improvements needed to avert future earthquake damage.

(b) Of the proceeds from the sale of bonds pursuant to this chapter, not more than forty million dollars (\$40,000,000) may be used for projects for those school districts that agree to contribute 60 percent or more of the cost of that project.

(c) Of the amount designated in subdivision (a), not more than sixty-five million dollars (\$65,000,000) may be used to match federal funds for facility repairs associated with the Northridge earthquake. This subdivision shall only be operative if the June 7, 1994, bond act authorized pursuant to Senate Bill 131 (Roberti), is not passed by the statewide electorate at the June 7, 1994, statewide primary election.

17766.35. Of the proceeds from the sale of bonds pursuant to this chapter, not more than two hundred million dollars (\$200,000,000) may be used for seismic retrofit projects of existing public school facilities.

Article 3. Fiscal Provisions

17766.40. Bonds in the total amount of one billion dollars (\$1,000,000,000), exclusive of refunding bonds, or so much thereof as is necessary, may be issued and sold to provide a fund to be used for carrying out the purposes expressed in this chapter and to be used to reimburse the General Obligation Bond Expense Revolving Fund pursuant to Section 16724.5 of the Government Code. The bonds, when sold, shall be and constitute a valid and binding obligation of the State of California, and the full faith and credit of the State of California is hereby pledged for the punctual payment of both principal of, and interest on, the bonds as the principal and interest become due and payable.

17766.44. The State School Building Finance Committee, created by Section 15909 and composed of the Governor, Controller, Treasurer, Director of Finance, and the Director of Education, or

their designated representatives, all of whom shall serve thereon without compensation, and a majority of whom shall constitute a quorum, is continued in existence for the purpose of this chapter. The Treasurer shall be designated to chair the committee. Two Members of the Senate appointed by the Senate Committee on Rules, and two Members of the Assembly appointed by the Speaker of the Assembly, shall meet and advise with the committee to the extent that the advisory participation is not incompatible with their respective positions as Members of the Legislature. For the purposes of this chapter, the Members of the Legislature shall constitute an interim investigating committee on the subject of this chapter and as that committee shall have the powers and duties imposed upon those committees by the Joint Rules of the Senate and the Assembly. The Director of Finance shall provide the assistance to the committee as it may require. The Attorney General of the state shall be the legal adviser of the committee.

17766.45. (a) The bonds authorized by this chapter shall be prepared, executed, issued, sold, paid, and redeemed as provided in the State General Obligation Bond Law (Chapter 4 (commencing with Section 16720) of Part 3 of Division 4 of Title 2 of the Government Code), and all of the provisions of that law apply to the bonds and to this chapter and are hereby incorporated in this chapter as though set forth in full in this chapter.

(b) For purposes of the State General Obligation Bond Law, the State Allocation Board is designated the "board."

17766.50. Upon request of the board from time to time, supported by a statement of the apportionments made and to be made for the purposes described in Section 17766.20, the committee shall determine whether or not it is necessary or desirable to issue bonds authorized pursuant to this chapter in order to fund the apportionments and, if so, the amount of bonds to be issued and sold. Successive issues of bonds may be authorized and sold to fund those apportionments progressively, and it is not necessary that all of the bonds authorized to be issued be sold at any one time.

17766.55. There shall be collected each year and in the same manner and at the same time as other state revenue is collected, in addition to the ordinary revenues of the state, a sum in an amount required to pay the principal of, and interest on, the bonds each year, and it is the duty of all officers charged by law with any duty in regard to the collection of the revenue to do and perform each and every act which is necessary to collect that additional sum.

17766.60. Notwithstanding Section 13340 of the Government Code, there is hereby appropriated from the General Fund in the State Treasury, for the purposes of this chapter, an amount that will equal the total of the following:

(a) The sum annually necessary to pay the principal of, and interest on, bonds issued and sold pursuant to this chapter, as the principal and interest become due and payable.

(b) The sum which is necessary to carry out the provisions of

Section 17766.70, appropriated without regard to fiscal years.

17766.63. The board may request the Pooled Money Investment Board to make a loan from the Pooled Money Investment Account, in accordance with Section 16312 of the Government Code, for the purposes of carrying out this chapter. The amount of the request shall not exceed the amount of the unsold bonds that the committee has, by resolution, authorized to be sold for the purpose of carrying out this chapter. The board shall execute those documents required by the Pooled Money Investment Board to obtain and repay the loan. Any amounts loaned shall be deposited in the fund to be allocated by the board in accordance with this chapter.

17766.65. Notwithstanding any other provision of this chapter, or of the State General Obligation Bond Law (Chapter 4 (commencing with Section 16720) of Part 3 of Division 4 of Title 2 of the Government Code), if the Treasurer sells bonds that include a bond counsel opinion to the effect that the interest on the bonds is excluded from gross income for federal tax purposes subject to designated conditions, the Treasurer may maintain separate accounts for the bond proceeds invested and for the investment earnings on those proceeds, and may use or direct the use of those proceeds or earnings to pay any rebate, penalty, or other payment required under federal law or take any other action with respect to the investment and use of those bond proceeds that is required or desirable under federal law in order to maintain the tax-exempt status of those bonds and to obtain any other advantage under federal law on behalf of the funds of this state.

17766.70. For the purposes of carrying out this chapter, the Director of Finance may authorize the withdrawal from the General Fund of an amount or amounts not to exceed the amount of the unsold bonds which have been authorized by the committee to be sold for the purpose of carrying out this chapter. Any amounts withdrawn shall be deposited in the fund. Any money made available under this section shall be returned to the General Fund, plus an amount equal to the interest the money would have earned in the Pooled Money Investment Account, from proceeds received from the sale of bonds for the purpose of carrying out this chapter.

17766.75. All money deposited in the fund that is derived from premium and accrued interest on bonds sold shall be reserved in the fund and shall be available for transfer to the General Fund as a credit to expenditures for bond interest.

17766.80. The bonds may be refunded in accordance with Article 6 (commencing with Section 16780) of Chapter 4 of Part 3 of Division 4 of Title 2 of the Government Code, which is a part of the State General Obligation Bond Law. Approval by the electors of the state for the issuance of the bonds described in this chapter shall include approval of the issuance of any bonds issued to refund any bonds originally issued under this chapter or any previously issued refunding bonds.

17766.85. The Legislature hereby finds and declares that,

inasmuch as the proceeds from the sale of bonds authorized by this chapter are not "proceeds of taxes" as that term is used in Article XIII B of the California Constitution, the disbursement of these proceeds is not subject to the limitations imposed by that article.

Article 4. Miscellaneous

17766.90. (a) Any remaining funds resulting or derived from the sale of bonds pursuant to Chapter 9 (commencing with Section 16400), Chapter 10 (commencing with Section 16500), Chapter 11 (commencing with Section 16600), Chapter 12 (commencing with Section 16700), Chapter 13 (commencing with Section 16800), Chapter 15 (commencing with Section 17000), Chapter 16 (commencing with Section 17100), Chapter 17 (commencing with Section 17200), Chapter 18 (commencing with Section 17300), Chapter 19 (commencing with Section 17400), and Chapter 20 (commencing with Section 17500) shall be transferred to the State School Building Lease-Purchase Fund and may be apportioned by the State Allocation Board for the purposes of the Leroy F. Greene State School Building Lease-Purchase Law of 1976 (Chapter 22 (commencing with Section 17700)).

(b) Any unsold bonds, authorized for issuance under Chapter 9 (commencing with Section 16400), Chapter 10 (commencing with Section 16500), Chapter 11 (commencing with Section 16600), Chapter 12 (commencing with Section 16700), Chapter 13 (commencing with Section 16800), Chapter 15 (commencing with Section 17000), Chapter 16 (commencing with Section 17100), Chapter 17 (commencing with Section 17200), Chapter 18 (commencing with Section 17300), Chapter 19 (commencing with Section 17400), and Chapter 20 (commencing with Section 17500) may be sold by the Treasurer, upon authorization by the State School Building Finance Committee for the purposes of the Leroy F. Greene State School Building Lease-Purchase Law of 1976 (Chapter 22 (commencing with Section 17700)).

SEC. 2. Section 65997 of the Government Code is repealed.

SEC. 3. Section 1 of this act shall become operative upon the approval by the voters, at the June 7, 1994, direct primary election, of the Safe Schools Act of 1994, as set forth in Section 1 of this act.

SEC. 4. (a) Notwithstanding Sections 3525, 3528, 3529, 3560, and 3578 of the Elections Code or any other provisions of law, Section 1 of this act shall be submitted to the voters at the June 7, 1994, direct primary election.

(b) The Secretary of State shall ensure the placement of Section 1 of this act on the June 7, 1994, statewide ballot, in substantial compliance with any statutory time requirements applicable to the submission of statewide measures to the voters at a statewide election.

(c) The Secretary of State shall include, in the ballot pamphlet mailed pursuant to Section 3578 of the Elections Code, the

information specified in Section 3570 of that code regarding the act contained in Section 1 of this act and shall refer to it as the Safe Schools Act of 1994.

(d) Notwithstanding any other provision of law, the Safe Schools Act of 1994, contained in Section 1 of this act, shall appear as the first proposition on the ballot.

SEC. 5. Notwithstanding any other provision of law, all ballots of the June 7, 1994, direct primary election shall have printed thereon and in a square thereof, the words: "Safe Schools Act of 1994" and in the same square under those words, the following in 8-point type: "This act provides for a bond issue of one billion dollars (\$1,000,000,000) to provide capital outlay for construction or improvement of public schools and the authorization to allocate bond funds and interest derived therefrom from the State School Building Aid Bond Law of 1952 for present-day public school construction or improvement." Opposite the square, there shall be left spaces in which the voters may place a cross in the manner required by law to indicate whether they vote for or against the act.

Where the voting of the election is done by means of voting machines used pursuant to law in the manner that carries out the intent of this section, the use of the voting machines and the expression of the voters' choice by means thereof are in compliance with the provisions of this section.

SEC. 6. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order that the Safe Schools Act of 1994 may be submitted for voter approval at the June 7, 1994, direct primary election to provide financing for urgently needed school safety equipment and educational technology, it is necessary that this act take effect immediately.

CHAPTER 20

An act to amend Sections 14502 and 84040.5 of, and to add Sections 22714, 44929, and 87488 to, the Education Code, relating to the State Teachers' Retirement System, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor March 15, 1994. Filed with
Secretary of State March 15, 1994.]

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

SECTION 1. Section 14502 of the Education Code is amended to read:

14502. (a) The Controller, in consultation with the Department

of Finance and the State Department of Education, shall develop a plan to review and report on financial and compliance audits. The plan shall commence with the 1984–85 fiscal year for audits of school districts and the offices of county superintendents of schools. The Controller, in consultation with the Department of Finance and the State Department of Education, shall prescribe the statements and other information to be included in the audit reports filed with the state and shall develop an audit guide to carry out the purposes of this chapter. Prior to the issuance of the audit guide, the Controller shall submit a copy of the audit guide to the Department of Finance for review to ensure all compliance requirements are properly included.

(b) For the audit of school districts or county offices of education electing to take formal action pursuant to Sections 22714 and 44929, the audit guide shall be in such form and require such information as is prescribed by the Controller, including, but not limited to, the following:

(1) The number and type of positions vacated.

(2) The age and service credit of the retirees receiving the additional service credit provided by Sections 22714 and 44929.

(3) A comparison of the salary and benefits of each retiree receiving the additional service credit with the salary and benefits of the replacement employee, if any.

(4) The resulting retirement cost, including interest, if any, and postretirement healthcare benefits costs, incurred by the employer.

(c) The Controller shall annually prepare a cost analysis, based on the information included in the audit reports for the prior fiscal year, to determine the net savings or costs resulting from formal actions taken by school districts and county offices of education pursuant to Sections 22714 and 44929, and shall report the results of the cost analysis to the Governor and the Legislature by April 1 of each year.

(d) All costs incurred by the Controller to implement subdivision (b) shall be absorbed by the Controller.

SEC. 2. Section 22714 is added to the Education Code, to read:

22714. (a) Whenever the governing board of a school district or a community college district or a county office of education, by formal action taken prior to January 1, 1999, determines pursuant to Section 44929 or 87488 that because of impending curtailment of or changes in the manner of performing services, the best interests of the district or county office of education would be served by encouraging the retirement of certificated employees or academic employees and that the retirement will either: result in a net savings to the district or county office of education; result in a reduction of the number of certificated employees or academic employees as a result of declining enrollment; or result in the retention of certificated employees who are credentialed to teach in, or faculty who are qualified to teach in, teacher shortage disciplines, including, but not limited to, mathematics and science, an additional two years of service shall be credited to a member if all of the following

conditions exist:

(1) The member is credited with five or more years of service and retires during a period of not more than 120 days or less than 60 days, commencing no sooner than the effective date of the formal action of the employer that shall specify the period. For the 1993-94 fiscal year, the retirement period shall begin on the date of the formal action and shall end on June 30, 1994.

(2) The employer transmits to the retirement fund an amount determined by the Teachers' Retirement Board that equals the actuarial equivalent of the difference between the allowance the member receives after receipt of service credit under this section and the amount the member would have received without the service credit and an amount determined by the Teachers' Retirement Board that equals the actuarial equivalent of the difference between the purchasing power protection supplemental payment the member receives after receipt of additional service credit pursuant to this section and the amount the member would have received without the additional service credit. The payment for purchasing power shall be deposited in the Supplemental Benefit Maintenance Account established by Section 22400 and shall be subject to Sections 24414 and 24415. The transfer to the retirement fund shall be made in a manner, and time period that shall not exceed four years, that are acceptable to the Teachers' Retirement Board. The employer shall make the payment with respect to all eligible employees who retired pursuant to this section.

(3) The employer transmits to the retirement fund the administrative costs incurred by the system in implementing this section, as determined by the Teachers' Retirement Board.

(4) The employer has considered the availability of teachers or academic employees to fill the positions that would be vacated pursuant to this section.

(b) (1) The school district shall demonstrate and certify to the county superintendent that the formal action taken would result in either: (A) a net savings to the district; (B) a reduction of the number of certificated employees as a result of declining enrollment, as computed pursuant to Section 42238.5; or (C) the retention of certificated employees who are credentialed to teach in teacher shortage disciplines.

(2) The county superintendent shall certify to the Teachers' Retirement Board that a result specified in paragraph (1) can be demonstrated. The certification shall include, but not be limited to, the information specified in subdivision (b) of Section 14502. A district that qualifies under clause (B) of paragraph (1) shall also certify that it qualifies as a declining enrollment district as computed pursuant to Section 42238.5.

(3) The school district shall reimburse the county superintendent for all the costs of the county superintendent that result from the certification.

(c) (1) The county office of education shall demonstrate and

certify to the Superintendent of Public Instruction that the formal action taken would result in either: (A) a net savings to the county office of education; (B) a reduction of the number of certificated employees as a result of declining enrollment; or (C) the retention of certificated employees who are credentialed to teach in teacher shortage disciplines.

(2) The Superintendent of Public Instruction shall certify to the Teachers' Retirement Board that a result specified in paragraph (1) can be demonstrated. The certification shall include, but not be limited to, the information specified in subdivision (b) of Section 14502.

(3) The Superintendent of Public Instruction may request reimbursement from the county office of education for all administrative costs that result from the certification.

(d) (1) The community college district shall demonstrate and certify to the chancellor's office that the formal action taken would result in either: (A) a net savings to the district; (B) a reduction in the number of academic employees as a result of declining enrollment, as computed pursuant to subdivision (c) of Section 84701; or (C) the retention of faculty who are qualified to teach in teacher shortage disciplines.

(2) The chancellor shall certify to the Teachers' Retirement Board that a result specified in paragraph (1) can be demonstrated. The certification shall include, but not be limited to, the information specified in subdivision (c) of Section 84040.5. A community college district that qualifies under clause (B) of paragraph (1) of subdivision (b) of this section shall also certify that it qualifies as a declining enrollment district as computed pursuant to subdivision (c) of Section 84701.

(3) The chancellor may request reimbursement from the community college for all administrative costs that result from the certification.

(e) The service credit made available pursuant to this section shall be available to all members employed by the school district, community college district, or county office of education who meet the conditions set forth in this section.

(f) The amount of service credit shall be two years.

(g) Any member who retires with service credit granted under this section and who subsequently reinstates into the system, shall forfeit the service credit granted under this section.

(h) This section shall not be applicable to any member otherwise eligible if the member receives any unemployment insurance payments arising out of employment with an employer subject to this part during a period extending one year beyond the effective date of the formal action, or if the member is not otherwise eligible to retire for service.

SEC. 3. Section 44929 is added to the Education Code, to read: 44929. (a) Whenever the governing board of a school district or a county office of education, by formal action taken prior to January

1, 1999, determines that because of impending curtailment of or changes in the manner of performing services, the best interests of the district or county office of education would be served by encouraging the retirement of certificated employees and that the retirement will either: result in a net savings to the district or county office of education; result in a reduction of the number of certificated employees as a result of declining enrollment; or result in the retention of certificated employees who are credentialed to teach in teacher shortage disciplines, including, but not limited to, mathematics and science, an additional two years of service shall be credited under the State Teachers' Retirement System to a certificated employee pursuant to Section 22714 if all of the following conditions exist:

(1) The employee is credited with five or more years of service under the State Teachers' Retirement System and retires during a period of not more than 120 days or less than 60 days, commencing no sooner than the effective date of the formal action of the district or county superintendent of schools that shall specify the period. For the 1993-94 fiscal year, the retirement period shall begin on the date of the formal action and shall end on June 30, 1994.

(2) The district or county office of education transmits to the retirement fund an amount determined by the Teachers' Retirement Board that equals the actuarial equivalent of the difference between the allowance the member receives after the receipt of service credit under this section and Section 22714 and the amount the member would have received without the service credit and an amount determined by the Teachers' Retirement Board that equals the actuarial equivalent of the difference between the purchasing power protection supplemental payment the member receives after receipt of additional service credit pursuant to this section and the amount the member would have received without the additional service credit. The payment for purchasing power shall be deposited in the Supplemental Benefit Maintenance Account established by Section 22400 and shall be subject to Sections 24414 and 24415. The transfer to the retirement fund shall be made in a manner, and time period that shall not exceed four years, that are acceptable to the Teachers' Retirement Board. The school district or county office of education shall make the payment with respect to all eligible employees who retired pursuant to this section and Section 22714.

(3) The district or county office of education transmits to the retirement fund the administrative costs incurred by the State Teachers' Retirement System in implementing this section, as determined by the Teachers' Retirement Board.

(4) The governing board of the school district or the county office of education has considered the availability of teachers to fill the positions that would be vacated pursuant to this section.

(b) (1) The school district shall demonstrate and certify to the county superintendent that the formal action taken would result in

either: (A) a net savings to the district; (B) a reduction of the number of certificated employees as a result of declining enrollment, as computed pursuant to Section 42238.5; or (C) the retention of certificated employees who are credentialed to teach in teacher shortage disciplines.

(2) The county superintendent shall certify to the Teachers' Retirement Board that a result specified in paragraph (1) can be demonstrated. The certification shall include, but not be limited to, the information specified in subdivision (b) of Section 14502. A district that qualifies under clause (B) of paragraph (1) also certify that it qualifies as a declining enrollment district as computed pursuant to Section 42238.5.

(3) The school district shall reimburse the county superintendent for all the costs of the county superintendent that result from the certification.

(c) (1) The county office of education shall demonstrate and certify to the Superintendent of Public Instruction that the formal action taken would result in either: (A) a net savings to the county office of education; (B) a reduction of the number of certificated employees as a result of declining enrollment; or (C) the retention of certificated employees who are credentialed to teach in teacher shortage disciplines.

(2) The Superintendent of Public Instruction shall certify to the Teachers' Retirement Board that a result specified in paragraph (1) can be demonstrated. The certification shall include, but not be limited to, the information specified in subdivision (b) of Section 14502.

(3) The Superintendent of Public Instruction may request reimbursement from the county office of education for all administrative costs that result from the certification.

(d) The service credit made available pursuant to this section shall be available to all members employed by the school district or county office of education who meet the conditions set forth in this section.

(e) The amount of service credit shall be two years.

(f) Any employee who retires with service credit granted under this section and Section 22714 and who subsequently reinstates into the State Teachers' Retirement System, shall forfeit the service credit granted under this section and Section 22714.

(g) This section shall not be applicable to any employee otherwise eligible if the employee receives any unemployment insurance payments arising out of employment with an employer subject to Part 13 (commencing with Section 22000) during a period extending one year beyond the effective date of the formal action, or if the employee is not otherwise eligible to retire for service under the State Teachers' Retirement System.

SEC. 4. Section 84040.5 of the Education Code is amended to read:

84040.5. (a) The board of governors, in cooperation with, and

upon approval by, the Department of Finance, shall prescribe the statements and other information to be included in the audit reports filed with the state and shall develop audit procedures for carrying out the purposes of this section. The Department of Finance may make audits, surveys, and reports which, in the judgment of the department will serve the best interest of the state.

(b) A review of existing audit procedures, statements, and other information required to be included in the audit reports shall be conducted periodically by the board of governors, in cooperation with the Department of Finance. Standards shall be updated periodically.

(c) For the audit of community colleges electing to take formal action pursuant to Sections 22714 and 87488, the audit standards shall require such information as is prescribed by the chancellor, including, but not limited to, the following:

(1) The number and type of positions being vacated.

(2) The age and service credit of the retirees receiving the additional service credit provided by Sections 22714 and 87488.

(3) A comparison of the salary and benefits of each retiree receiving the additional service credit with the salary and benefits of the replacement employee, if any.

(4) The resulting retirement costs, including interest, if any, and postretirement healthcare benefits costs, incurred by the employer.

(d) The chancellor shall annually prepare a cost analysis, based upon the information included in the audit reports for the prior fiscal year, to determine the net savings or costs resulting from formal actions taken by community college districts pursuant to Sections 22714 and 87488, and shall report the results of the cost analysis to the Governor and the Legislature by April 1 of each year.

(e) All costs incurred by the board of governors to implement subdivision (c) shall be absorbed by the board of governors.

(f) At the request of the Department of Finance, each community college district that elects to take formal action pursuant to Sections 22714 and 87488 shall reimburse the Department of Finance for any related administrative costs incurred by the Department of Finance.

SEC. 5. Section 87488 is added to the Education Code, to read: 87488. (a) Whenever the governing board of a community college district, by formal action taken prior to January 1, 1999, determines that because of impending curtailment of or changes in the manner of performing services, the best interests of the district would be served by encouraging the retirement of academic employees and that the retirement will either: result in a net savings to the district; result in a reduction of the number of academic employees as a result of declining enrollment; or result in the retention of faculty who are qualified to teach in areas of teacher shortage, including, but not limited to, mathematics and science, an additional two years of service shall be credited under the State Teachers' Retirement System to an academic employee pursuant to Section 22714 if all of the following conditions exist:

(1) The employee is credited with five or more years of service under the State Teachers' Retirement System and retires during a period not more than 120 days or less than 60 days, commencing no sooner than the effective date of the formal action of the district that shall specify the period. For the 1993-94 fiscal year, the retirement period shall begin on the date of the formal action and shall end on June 30, 1994.

(2) The governing board transmits to the retirement fund an amount determined by the Teachers' Retirement Board that equals the actuarial equivalent of the difference between the allowance the member receives after the receipt of service credit under this section and Section 22714 and the amount the member would have received without the service credit and an amount determined by the Teachers' Retirement Board that equals the actuarial equivalent of the difference between the purchasing power protection supplemental payment the member receives after receipt of additional service credit pursuant to this section and the amount the member would have received without the additional service credit. The payment for purchasing power shall be deposited in the Supplemental Benefit Maintenance Account established by Section 22400 and shall be subject to Sections 24414 and 24415. The transfer to the retirement fund shall be made in a manner and time period that shall not exceed four years, that are acceptable to the Teachers' Retirement Board. The community college district shall make the payment with respect to all eligible employees who retired pursuant to this section and Section 22714.

(3) The governing board transmits to the retirement fund the administrative costs incurred by the State Teachers' Retirement System in implementing this section, as determined by the Teachers' Retirement Board.

(4) The governing board of the community college district has considered the availability of academic employees to fill the positions that would be vacated pursuant to this section.

(b) (1) The community college district shall demonstrate and certify to the chancellor's office that the formal action taken would result in either: (A) a net savings to the district; (B) a reduction in the number of academic employees as a result of declining enrollment, as computed pursuant to subdivision (c) of Section 84701; or (C) the retention of faculty who are qualified to teach in teacher shortage disciplines.

(2) The chancellor shall certify to the Teachers' Retirement Board that the results specified in paragraph (1) can be demonstrated. The certification shall include, but not be limited to, the information specified in subdivision (c) of Section 84040.5. A community college district that qualifies under clause (B) of paragraph (1) shall also certify that it qualifies as a declining enrollment district as computed pursuant to subdivision (c) of Section 84701.

(3) The chancellor may request reimbursement from the

community college district for all administrative costs that result from the certification.

(c) The service credit made available pursuant to this section shall be available to all members employed by the community college district who meet the conditions set forth in this section.

(d) The amount of service credit shall be two years.

(e) Any employee who retires with service credit granted under this section and Section 22714 and subsequently reinstates into the State Teachers' Retirement System, shall forfeit the service credit granted under this section and Section 22714.

(f) This section shall not be applicable to any employee otherwise eligible if the employee receives any unemployment insurance payments arising out of employment with an employer subject to Part 13 (commencing with Section 22000) during a period extending one year beyond the effective date of the formal action, or if the employee is not otherwise eligible to retire for service under the State Teachers' Retirement System.

SEC. 6. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order that school districts, county superintendents of schools, and community college districts may be permitted to obtain savings through early retirement of certificated employees and faculty at the earliest possible time, it is necessary that this act take effect immediately.

CHAPTER 21

An act to add and repeal Chapter 4.5 (commencing with Section 89420) of Part 55 of the Education Code, relating to jazz.

[Approved by Governor March 24, 1994. Filed with
Secretary of State March 25, 1994.]

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

SECTION 1. Chapter 4.5 (commencing with Section 89420) is added to Part 55 of the Education Code, to read:

CHAPTER 4.5. INSTITUTE FOR PRESERVATION OF JAZZ

89420. The Legislature hereby finds and declares that there is a need for a state repository dedicated to the diverse contributions of jazz to the history and culture of this state and the nation.

89421. The trustees may establish the Institute for Preservation of Jazz at California State University, Long Beach.

89422. (a) The Chancellor of the California State University may

appoint an advisory board of no more than 15 persons to the Institute for Preservation of Jazz, which shall recommend goals, objectives, and priorities for the institute.

(b) The members of the advisory board shall serve without compensation, but may be reimbursed for necessary expenses incurred in the performance of their duties in accordance with the regulations and guidelines of the California State University.

89423. It is the intent of the Legislature that the Institute for Preservation of Jazz be funded by a variety of sources, including grants and contributions from private sources, or from public entities dedicated to the arts. No funds, or resources supported by funds, available to the California State University for support of its educational mission shall be redirected to support the institute, including the state General Fund, the California State Lottery Education Fund, and student fees revenues, as well as reimbursements and other income that otherwise would be available for support of the educational mission. If these funds, or resources supported by these funds, are utilized for initial start-up costs, including grant applications, these funds shall be fully reimbursed by the institute from moneys subsequently received via grants and contributions.

89424. If established by the trustees, the Institute for Preservation of Jazz shall do all of the following:

(a) Preserve, collect, and display samples of the contributions of jazz as an art form to the sciences, religion, education, literature, entertainment, politics, sports, and history of the state and nation. The enrichment and historical perspective of that collection shall be made available for public use and enjoyment.

(b) Provide support for teaching programs at the undergraduate and graduate level, as well as research activities consistent with the mission of the California State University.

(c) Develop and distribute educational materials relating to the preservation of jazz.

89425. The Chancellor of the California State University shall implement Section 89422 only if private funds are donated in an amount sufficient to cover costs relating to the advisory board.

89426. This chapter shall become inoperative on July 1, 1998, and, as of January 1, 1999, is repealed, unless a later enacted statute, which becomes effective on or before January 1, 1999, deletes or extends the dates on which it becomes inoperative and is repealed.

CHAPTER 22

An act to amend Sections 19141.6, 25111.1, and 25112 of, and to add Sections 17135.5 and 24308.5 to, the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

[Approved by Governor March 24, 1994. Filed with
Secretary of State March 25, 1994.]

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

SECTION 1. Section 17135.5 is added to the Revenue and Taxation Code, to read:

17135.5. (a) Gross income does not include cost-share payments received by forest landowners from the Department of Forestry and Fire Protection pursuant to the California Forest Improvement Act of 1978 (Part 2.5 (commencing with Section 4790) of Division 1 of the Public Resources Code) or from the United States Department of Agriculture, Forest Service, under the Forest Stewardship Program and the Stewardship Incentives Program, pursuant to the Cooperative Forestry Assistance Act, as amended (Public Law 101-624).

(b) The amount of any cost-share payment excluded pursuant to subdivision (a) shall not be considered with regard to either of the following:

- (1) Determining the basis of property acquired or improved.
- (2) Computing any allowable deduction to which the taxpayer may otherwise be entitled.

SEC. 2. Section 19141.6 of the Revenue and Taxation Code is amended to read:

19141.6. (a) Each taxpayer determining its income subject to tax pursuant to Section 25101 or electing to file pursuant to Section 25110 shall, for income years beginning on or after January 1, 1994, maintain (in the location, in the manner, and to the extent prescribed in regulations which shall be promulgated by the Franchise Tax Board on or before December 31, 1995) and make available upon request all of the following:

(1) Any records as may be appropriate to determine the correct treatment of the components that are a part of one or more unitary businesses for purposes of determining the income derived from or attributable to this state pursuant to Section 25101 or 25110.

(2) Any records as may be appropriate to determine the correct treatment of amounts that are attributable to the classification of an item as business or nonbusiness income for purposes of Article 2 (commencing with Section 25120) of Chapter 17 of Part 11.

(3) Any records as may be appropriate to determine the correct treatment of the apportionment factors for purposes of Article 2 (commencing with Section 25120) of Chapter 17 of Part 11.

(4) Documents and information, including any questionnaires

completed and submitted to the Internal Revenue Service that are necessary to audit issues involving attribution of income to the United States or foreign jurisdictions under Section 882 or Subpart F of Part III of Subchapter N, or similar sections, of the Internal Revenue Code.

(b) For purposes of this section:

(1) Information for any year shall be retained for that period of time in which the taxpayers' income or franchise tax liability to this state may be subject to adjustment, including all periods in which additional income or franchise taxes may be assessed, not to exceed eight years from the due date or extended due date of the return, or during which a protest is pending before the Franchise Tax Board, or an appeal is pending before the State Board of Equalization or a lawsuit is pending in the courts of this state or the United States with respect to California franchise or income tax.

(2) "Related party" means banks and corporations that are related because one owns or controls directly or indirectly more than 50 percent of the stock of the other or because more than 50 percent of the voting stock of each is owned or controlled, directly or indirectly, by the same interests.

(3) "Records" includes any books, papers, or other data.

(c) (1) If a bank or corporation subject to this section fails to maintain or fails to cause another to maintain records as required by subdivision (a), or willfully fails to comply substantially with Section 18634 requiring the filing of an information return, that bank or corporation shall pay a penalty of ten thousand dollars (\$10,000) for each income year with respect to which the failure occurs.

(2) If any failure described in paragraph (1) continues for more than 90 days after the day on which the Franchise Tax Board mails notice of the failure to the bank or corporation, that bank or corporation shall pay a penalty (in addition to the amount required under paragraph (1)) of ten thousand dollars (\$10,000) for each 30-day period (or fraction thereof) during which the failure continues after the expiration of the 90-day period. The additional penalty imposed by this subdivision shall not exceed a maximum of fifty thousand dollars (\$50,000) if the failure to maintain or the failure to cause another to maintain is not willful. This maximum shall apply with respect to income years beginning on or after January 1, 1994, and before the earlier of the first day of the month following the month in which regulations are adopted pursuant to this section or December 31, 1995.

(3) For purposes of this section, the time prescribed by regulations to maintain records (and the beginning of the 90-day period after notice by the Franchise Tax Board) shall be treated as not earlier than the last day on which (as shown to the satisfaction of the Franchise Tax Board) reasonable cause existed for failure to maintain the records.

(d) (1) The Franchise Tax Board may apply the rules of paragraph (2) whether or not the board begins a proceeding to

enforce a subpoena, or subpoena duces tecum, if subparagraph (A), (B), and (C) apply:

(A) For purposes of determining the correct treatment under Part 11 (commencing with Section 23001) of the items described in subdivision (a), the Franchise Tax Board issues a subpoena or subpoena duces tecum to a bank or corporation to produce (either directly or as agent for the related party) any records or testimony.

(B) The subpoena or subpoena duces tecum is not quashed in a proceeding begun under paragraph (3) and is not determined to be invalid in a proceeding begun under Section 19504 to enforce the subpoena or subpoena duces tecum.

(C) The bank or corporation does not substantially comply in a timely manner with the subpoena or subpoena duces tecum and the Franchise Tax Board has sent by certified or registered mail a notice to that bank or corporation that it has not substantially complied.

(D) If the bank or corporation fails to maintain or fails to cause another to maintain records as required by subdivision (a), and by reason of that failure, the subpoena, or subpoena duces tecum, is quashed in a proceeding described in subparagraph (B) or the bank or corporation is not able to provide the records requested in the subpoena or subpoena duces tecum, the Franchise Tax Board may apply the rules of paragraph (2) to any of the items described in subdivision (a) to which the records relate.

(2) (A) All of the following shall be determined by the Franchise Tax Board in the Franchise Tax Board's sole discretion from the Franchise Tax Board's own knowledge or from information the Franchise Tax Board may obtain through testimony or otherwise:

(i) The components that are a part of one or more unitary businesses for purposes of determining the income derived from or attributable to this state pursuant to Section 25101 or 25110.

(ii) Amounts that are attributable to the classification of an item as business or nonbusiness income for purposes of Article 2 (commencing with Section 25120) of Chapter 17 of Part 11.

(iii) The apportionment factors for purposes of Article 2 (commencing with Section 25120) of Chapter 17 of Part 11.

(iv) The correct amount of income under Section 882 of Subpart F of the Internal Revenue Code, or similar sections of the Internal Revenue Code.

(B) This paragraph shall apply to determine the correct treatment of the items described in subdivision (a) unless the bank or corporation is authorized by its related parties (in the manner and at the time as the Franchise Tax Board shall prescribe) to act as the related parties' limited agent solely for purposes of applying Section 19504 with respect to any request by the Franchise Tax Board to examine records or produce testimony related to any item described in subdivision (a) or with respect to any subpoena or subpoena duces tecum for the records or testimony. The appearance of persons or the production of records by reason of the bank or corporation being an agent shall not subject those persons or records to legal process for

any purpose other than determining the correct treatment under Part 11 of the items described in subdivision (a).

(3) (A) Notwithstanding any other law or rule of law, any reporting bank or corporation to which the Franchise Tax Board issues a subpoena or subpoena duces tecum referred to in subparagraph (A) of paragraph (1) shall have the right to begin a proceeding to quash the subpoena or subpoena duces tecum not later than the 90th day after the subpoena or subpoena duces tecum was issued. In that proceeding, the Franchise Tax Board may seek to compel compliance with the subpoena or subpoena duces tecum.

(B) Notwithstanding any other law or rule of law, any reporting bank or corporation that has been notified by the Franchise Tax Board that it has determined that the bank or corporation has not substantially complied with a subpoena or subpoena duces tecum referred to in paragraph (1) shall have the right to begin a proceeding to review the determination not later than the 90th day after the day on which the notice referred to in subparagraph (C) of paragraph (1) was mailed. If the proceeding is not begun on or before the 90th day, the determination by the Franchise Tax Board shall be binding and shall not be reviewed by any court.

(C) The superior courts of the State of California for the Counties of Los Angeles, Sacramento, and San Diego, and for the City and County of San Francisco shall have jurisdiction to hear any proceeding brought under subparagraphs (A) and (B). Any order or other determination in the proceeding shall be treated as a final order that may be appealed.

(D) If any bank or corporation takes any action as provided in subparagraphs (A) and (B), the running of any period of limitations under Sections 19057 to 19064, inclusive (relating to the assessment and collection of tax), or under Section 19704 (relating to criminal prosecutions) with respect to that bank or corporation shall be suspended for the period during which the proceedings, and appeals therein, are pending. In no event shall any period expire before the 90th day after the day on which there is a final determination in the proceeding.

SEC. 3. Section 24308.5 is added to the Revenue and Taxation Code, to read:

24308.5. (a) Gross income does not include cost-share payments received by forest landowners from the Department of Forestry and Fire Protection pursuant to the California Forest Improvement Act of 1978 (Part 2.5 (commencing with Section 4790) of Division 1 of the Public Resources Code) or from the United States Department of Agriculture, Forest Service, under the Forest Stewardship Program and the Stewardship Incentives Program, pursuant to the Cooperative Forestry Assistance Act, as amended (Public Law 101-624).

(b) The amount of any cost-share payment excluded pursuant to subdivision (a) shall not be considered with regard to either of the following:

- (1) Determining the basis of property acquired or improved.
- (2) Computing any allowable deduction to which the taxpayer may otherwise be entitled.

SEC. 4. Section 25111.1 of the Revenue and Taxation Code is amended to read:

25111.1. For any income year beginning on or after January 1, 1994, consideration for water's-edge contracts in existence as of that date is no longer provided for by law. Contracts entered into for income years beginning prior to January 1, 1994, are rescinded for any periods remaining on those contracts commencing on the first day of the taxpayer's first income year that begins on or after January 1, 1994. Any fiscal year taxpayer whose contract is in effect as of December 31, 1993, shall continue to be bound by that contract until the close of its income year after January 1, 1994, and before December 31, 1994.

SEC. 5. Section 25112 of the Revenue and Taxation Code is amended to read:

25112. (a) If a taxpayer electing to file under Section 25110 fails to supply any information described in subdivision (b), the taxpayer shall pay a penalty of one thousand dollars (\$1,000) for each income year with respect to which the failure occurs.

(b) A taxpayer electing pursuant to Section 25110 shall do all of the following:

(1) Retain and make available upon request the documents and information, including any questionnaires completed and submitted to the Internal Revenue Service or qualified states, which are necessary to audit issues involving attribution of income to the United States or foreign jurisdictions under Sections 482, 861, 863, 902, and 904, and Subpart F of Part III of Subchapter N, or similar sections of the Internal Revenue Code.

(2) Identify, upon request, principal officers or employees who have substantial knowledge of, and access to, documents and records which discuss pricing policies, profit centers, cost centers, and the methods of allocating income and expense among these centers. The information shall include the employees' titles and addresses.

(3) Retain and make available upon request all documents and correspondence ordinarily available to a bank or corporation included in the water's-edge election which are submitted to, or obtained from, the Internal Revenue Service, foreign countries or their territories or possessions, and competent authority pertaining to ruling requests, rulings, settlement resolutions, and competing claims involving jurisdictional assignment and sourcing of income that affect the assignment of income to the United States. The documents shall include all ruling requests and rulings on reorganizations involving foreign incorporation of branches, all ruling requests and rulings on changing a bank or corporation's jurisdictional incorporation, and all documents which are ordinarily available to a bank or corporation included in the water's-edge election which pertain to the determination of foreign tax liability,

including examination reports issued by foreign taxing administrations. If the documents have been translated, the translations shall be furnished.

(4) Retain and make available, upon request, information filed with the Internal Revenue Service to comply with Sections 6038, 6038A, 6038B, 6038C, and 6041 of the Internal Revenue Code.

(5) Upon request, prepare and make available for each bank or corporation organized or created under the laws of the United States or a political subdivision thereof, of which 50 percent or more of its voting stock is directly or indirectly owned or controlled, the information which would be included in the forms described in paragraph (5) if those forms were required for United States corporations.

(6) Retain and make available, upon request, all state tax returns filed by each bank or corporation included under subdivision (a) in each state, including the District of Columbia.

(7) Comply with reasonable requests for information necessary to determine or verify its net income, apportionment factors, or the geographic source of that income pursuant to the Internal Revenue Code.

(8) For purposes of this subdivision, information for any year shall be retained for that period of time in which the taxpayer's income or franchise tax liability to this state may be subject to adjustment, including all periods in which additional income or franchise taxes may be assessed or during which an appeal is pending before the State Board of Equalization or a lawsuit is pending in the courts of this state or the United States with respect to California franchise or income tax.

(c) If the failure continues for more than 90 days after the date on which the Franchise Tax Board mails notice of that failure to the taxpayer, the taxpayer shall pay a penalty (in addition to the amount required under subdivision (a)) of one thousand dollars (\$1,000) for each 30-day period (or fraction thereof) during which the failure continues after the expiration of the 90-day period. The increase in any penalty under this subdivision shall not exceed twenty-four thousand dollars (\$24,000).

(d) If the taxpayer fails to comply substantially with any formal document request arising out of the examination of the tax treatment of any item (hereinafter in this section referred to as the "examined item") before the 90th day after the date of the mailing of the request, any court having jurisdiction of a civil proceeding in which the tax treatment of the examined item is an issue may, upon motion by the Franchise Tax Board, prohibit the introduction by the taxpayer of documentation covered by that request.

(e) For purposes of this section, the time in which information is to be furnished (and the beginning of the 90-day period after notice by the Franchise Tax Board) shall be treated as beginning not earlier than the last day on which reasonable cause existed for failure to furnish the information.

(f) This section shall not apply with respect to any requested documentation if the taxpayer establishes that the failure to provide the documentation, as requested by the Franchise Tax Board, is due to reasonable cause. For purposes of subdivision (d), the fact that a foreign jurisdiction would impose a civil or criminal penalty on the taxpayer (or any other person) for disclosing the requested documentation is not reasonable cause unless, after in-camera review of the documentation, the court finds otherwise.

(g) For purposes of this section, the term "formal document request" means any request (made after the normal request procedures have failed to produce the requested documentation) for the production of documentation which is mailed by registered or certified mail to the taxpayer at its last known address and which sets forth all of the following:

(1) The time and place for the production of the documentation.

(2) A statement of the reason the documentation previously produced (if any) is not sufficient.

(3) A description of the documentation being sought.

(4) The consequences to the taxpayer of the failure to produce the documentation described in this section.

(h) Notwithstanding any other law or rule of law, any taxpayer to whom a formal document request is mailed may begin a proceeding to quash that request not later than the 90th day after the date the request was mailed. In any such proceeding, the Franchise Tax Board may seek to compel compliance with the request.

(i) The superior courts of the State of California for the Counties of Los Angeles, Sacramento, and San Diego, and for the City and County of San Francisco shall have jurisdiction to hear any proceeding brought under subdivision (h). An order denying the petition shall be deemed a final order which may be appealed.

The running of the 90-day period referred to in subdivision (c) shall be suspended during any period during which a proceeding brought under subdivision (h) is pending.

(j) For purposes of this section, "documentation" means any documentation which may be relevant or material to the tax treatment of the examined item.

(k) The Franchise Tax Board, and any court having jurisdiction over a proceeding under subdivision (g), may extend the 90-day period referred to in subdivision (b).

(l) If any bank or corporation takes any action as provided in subdivision (h), the running of any period of limitations under Sections 19057 to 19067, inclusive (relating to the assessment and collection of tax), or under Section 19704 (relating to criminal prosecutions) with respect to that bank or corporation shall be suspended for the period during which the proceedings under subdivision (h) and appeals thereto are pending.

SEC. 6. Section 25115 of the Revenue and Taxation Code, as that section read on December 31, 1993, applies to any income year beginning before January 1, 1994.

SEC. 7. Section 6 of this act does not constitute a change in, but is declaratory of, the existing law.

SEC. 8. This act provides for a tax levy within the meaning of Article IV of the Constitution and shall go into immediate effect.

CHAPTER 23

An act to amend Sections 1203, 12001, 12020, 12021, 12025, 12026.2, 12071, 12072, 12073, 12076, 12077, 12078, 12082, 12084, 12101, 12285, 12551, 12552, 12800, and 12802 of, to amend and renumber Section 467 of, to repeal and add Section 12023 of, and to repeal Sections 12100 and 12553 of, the Penal Code, and to amend Section 2 of Chapter 1180 of the Statutes of 1988, relating to firearms.

[Approved by Governor March 30, 1994. Filed with
Secretary of State March 30, 1994.]

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

SECTION 1. Section 467 of the Penal Code is amended and renumbered to read:

12024. Every person having upon him or her any deadly weapon, with intent to assault another, is guilty of a misdemeanor.

SEC. 2. Section 1203 of the Penal Code is amended to read:

1203. (a) As used in this code, "probation" means the suspension of the imposition or execution of a sentence and the order of conditional and revocable release in the community under the supervision of a probation officer. As used in this code, "conditional sentence" means the suspension of the imposition or execution of a sentence and the order of revocable release in the community subject to the conditions established by the court without the supervision of a probation officer. It is the intent of the Legislature that both conditional sentence and probation are authorized whenever probation is authorized in any code as a sentencing option for infractions or misdemeanors.

(b) Except as provided in subdivision (j), if a person is convicted of a felony and is eligible for probation, before judgment is pronounced, the court shall immediately refer the matter to a probation officer to investigate and report to the court, at a specified time, upon the circumstances surrounding the crime and the prior history and record of the person, which may be considered either in aggravation or mitigation of the punishment. The probation officer shall immediately investigate and make a written report to the court of his or her findings and recommendations, including his or her recommendations as to the granting or denying of probation and the conditions of probation, if granted. Pursuant to Section 828 of the Welfare and Institutions Code, the probation officer shall include in his or her report any information gathered by a law enforcement

agency relating to the taking of the defendant into custody as a minor, which shall be considered for purposes of determining whether adjudications of commissions of crimes as a juvenile warrant a finding that there are circumstances in aggravation pursuant to Section 1170 or to deny probation. The probation officer shall also include in the report his or her recommendation of the amount the defendant should be required to pay as a restitution fine pursuant to Section 13967 of the Government Code. The probation officer shall also include in his or her report a recommendation as to whether the court shall require, as a condition of probation, restitution to the victim or to the Restitution Fund. The report shall be made available to the court and the prosecuting and defense attorneys at least five days, or, upon request of the defendant or prosecuting attorney, nine days, prior to the time fixed by the court for the hearing and determination of the report, and shall be filed with the clerk of the court as a record in the case at the time of the hearing. The time within which the report shall be made available and filed may be waived by written stipulation of the prosecuting and defense attorneys which is filed with the court or an oral stipulation in open court which is made and entered upon the minutes of the court. At a time fixed by the court, the court shall hear and determine the application, if one has been made, or, in any case, the suitability of probation in the particular case. At the hearing, the court shall consider any report of the probation officer and shall make a statement that it has considered the report which shall be filed with the clerk of the court as a record in the case. If the court determines that there are circumstances in mitigation of the punishment prescribed by law or that the ends of justice would be served by granting probation to the person, it may place the person on probation. If probation is denied, the clerk of the court shall immediately send a copy of the report to the Department of Corrections at the prison or other institution to which the person is delivered.

(c) If a defendant is not represented by an attorney, the court shall order the probation officer who makes the probation report to discuss its contents with the defendant.

(d) If a person is convicted of a misdemeanor, the court may either refer the matter to the probation officer for an investigation and a report or summarily pronounce a conditional sentence. If the case is not referred to the probation officer, in sentencing the person, the court may consider any information concerning the person which could have been included in a probation report. The court shall inform the person of the information to be considered and permit him or her to answer or controvert the information. For this purpose, upon the request of the person, the court shall grant a continuance before the judgment is pronounced.

(e) Except in unusual cases where the interests of justice would best be served if the person is granted probation, probation shall not be granted to any of the following persons:

(1) Unless the person had a lawful right to carry a deadly weapon, other than a firearm, at the time of the perpetration of the crime or his or her arrest, any person who has been convicted of arson, robbery, carjacking, burglary, burglary with explosives, rape with force or violence, murder, attempt to commit murder, trainwrecking, kidnapping, escape from the state prison, or a conspiracy to commit one or more of those crimes and who was armed with the weapon at either of those times.

(2) Any person who used, or attempted to use, a deadly weapon upon a human being in connection with the perpetration of the crime of which he or she has been convicted.

(3) Any person who willfully inflicted great bodily injury or torture in the perpetration of the crime of which he or she has been convicted.

(4) Any person who has been previously convicted twice in this state of a felony or in any other place of a public offense which, if committed in this state, would have been punishable as a felony.

(5) Unless the person has never been previously convicted once in this state of a felony or in any other place of a public offense which, if committed in this state, would have been punishable as a felony, any person who has been convicted of burglary with explosives, rape with force or violence, murder, attempt to commit murder, trainwrecking, extortion, kidnapping, escape from the state prison, a violation of Section 286, 288, 288a, or 288.5, or a conspiracy to commit one or more of those crimes.

(6) Any person who has been previously convicted once in this state of a felony or in any other place of a public offense which, if committed in this state, would have been punishable as a felony, if he or she committed any of the following acts:

(A) Unless the person had a lawful right to carry a deadly weapon at the time of the perpetration of the previous crime or his or her arrest for the previous crime, he or she was armed with a weapon at either of those times.

(B) The person used, or attempted to use, a deadly weapon upon a human being in connection with the perpetration of the previous crime.

(C) The person willfully inflicted great bodily injury or torture in the perpetration of the previous crime.

(7) Any public official or peace officer of this state or any city, county, or other political subdivision who, in the discharge of the duties of his or her public office or employment, accepted or gave or offered to accept or give any bribe, embezzled public money, or was guilty of extortion.

(8) Any person who knowingly furnishes or gives away phencyclidine.

(9) Any person who intentionally inflicted great bodily injury in the commission of arson under subdivision (a) of Section 451 or who intentionally set fire to, burned, or caused the burning of, an inhabited structure or inhabited property in violation of subdivision

(b) of Section 451.

(10) Any person who, in the commission of a felony, inflicts great bodily injury or causes the death of a human being by the discharge of a firearm from or at an occupied motor vehicle proceeding on a public street or highway.

(11) Any person who possesses a short-barreled rifle or a short-barreled shotgun under Section 12020, a machine gun under Section 12220, or a silencer under Section 12520.

(12) Any person who is convicted of violating Section 8101 of the Welfare and Institutions Code.

(13) Any person who is described in paragraph (2) of subdivision (g) of Section 12072.

(f) When probation is granted in a case which comes within subdivision (e), the court shall specify on the record and shall enter on the minutes the circumstances indicating that the interests of justice would best be served by that disposition.

(g) If a person is not eligible for probation, the judge shall refer the matter to the probation officer for an investigation of the facts relevant to determination of the amount of a restitution fine pursuant to Section 13967 of the Government Code in all cases where the determination is applicable. The judge, in his or her discretion, may direct the probation officer to investigate all facts relevant to the sentencing of the person. Upon that referral, the probation officer shall immediately investigate the circumstances surrounding the crime and the prior record and history of the person and make a written report to the court of his or her findings. The findings shall include a recommendation of the amount of the restitution fine as provided in Section 13967 of the Government Code.

(h) If a defendant is convicted of a felony and a probation report is prepared pursuant to subdivision (b) or (g), the probation officer may obtain and include in the report a statement of the comments of the victim concerning the offense. The court may direct the probation officer not to obtain a statement if the victim has in fact testified at any of the court proceedings concerning the offense.

(i) No probationer shall be released to enter another state unless his or her case has been referred to the Administrator, Interstate Probation and Parole Compacts, pursuant to the Uniform Act for Out-of-State Probationer or Parolee Supervision (Article 3 (commencing with Section 11175) of Chapter 2 of Title 1 of Part 4) and the probationer has reimbursed the county that has jurisdiction over his or her probation case the reasonable costs of processing his or her request for interstate compact supervision. The amount and method of reimbursement shall be in accordance with Section 1203.1b.

(j) In any court where a county financial evaluation officer is available, in addition to referring the matter to the probation officer, the court may order the defendant to appear before the county financial evaluation officer for a financial evaluation of the defendant's ability to pay restitution, in which case the county

financial evaluation officer shall report his or her findings regarding restitution and other court-related costs to the probation officer on the question of the defendant's ability to pay those costs.

Any order made pursuant to this subdivision may be enforced as a violation of the terms and conditions of probation upon willful failure to pay and at the discretion of the court and as stated in the order, may be enforced in the same manner as a judgment in a civil action, if any balance remains unpaid at the end of the defendant's probationary period.

SEC. 3. Section 12001 of the Penal Code is amended to read:

12001. (a) As used in this title, the terms "pistol," "revolver," and "firearm capable of being concealed upon the person" shall apply to and include any device designed to be used as a weapon, from which is expelled a projectile by the force of any explosion, or other form of combustion, and which has a barrel less than 16 inches in length. These terms also include any device which has a barrel 16 inches or more in length which is designed to be interchanged with a barrel less than 16 inches in length.

(b) As used in this title, "firearm" means any device, designed to be used as a weapon, from which is expelled through a barrel a projectile by the force of any explosion or other form of combustion.

(c) As used in Sections 12021, 12021.1, 12070, 12071, 12072, 12073, and 12078, and Sections 8100 and 8103 of the Welfare and Institutions Code, the term "firearm" includes the frame or receiver of the weapon.

(d) For the purposes of Sections 12025 and 12031, the term "firearm" also shall include any rocket, rocket propelled projectile launcher, or similar device containing any explosive or incendiary material whether or not the device is designed for emergency or distress signaling purposes.

(e) (1) For purposes of Sections 12070, 12071, and subdivisions (b), (c), and (d) of Section 12072, the term "firearm" does not include an unloaded firearm which is defined as an "antique firearm" in Section 921 (a) (16) of Title 18 of the United States Code.

(2) For purposes of Sections 12070, 12071, and subdivisions (b), (c), and (d) of Section 12072, the term "firearm" does not include an unloaded firearm that meets both of the following:

(A) It is not a pistol, revolver, or other firearm capable of being concealed upon the person.

(B) It is a curio or relic, as defined in Section 178.11 of Title 27 of the Code of Federal Regulations.

(f) Nothing shall prevent a device defined as a "pistol," "revolver," or "firearm capable of being concealed upon the person" from also being found to be a short-barreled shotgun or a short-barreled rifle, as defined in Section 12020.

(g) For purposes of Section 12551, the term "BB device" means any instrument which expels a metallic projectile, such as a BB or a pellet, through the force of air pressure, CO₂ pressure, or spring action, or any spot marker gun.

(h) As used in this title, “wholesaler” means any person who is licensed as a dealer pursuant to Chapter 44 (commencing with Section 921) of Title 18 of the United States Code and the regulations issued pursuant thereto who sells, transfers, or assigns firearms, or parts of firearms, to persons who are licensed as manufacturers, importers, or gunsmiths pursuant to Chapter 44 (commencing with Section 921) of Title 18 of the United States Code, or persons licensed pursuant to Section 12071, and includes persons who receive finished parts of firearms and assemble them into completed or partially completed firearms in furtherance of that purpose.

“Wholesaler” shall not include a manufacturer, importer, or gunsmith who is licensed to engage in those activities pursuant to Chapter 44 (commencing with Section 921) of Title 18 of the United States Code or a person licensed pursuant to Section 12071 and the regulations issued pursuant thereto. A wholesaler also does not include those persons dealing exclusively in grips, stocks, and other parts of firearms that are not frames or receivers thereof.

(i) As used in Section 12071, 12072, or 12084, “application to purchase” means either of the following:

(1) The initial completion of the register by the purchaser, transferee, or person being loaned the firearm as required by subdivision (a) of Section 12076.

(2) The initial completion of the LEFT by the purchaser, transferee, or person being loaned the firearm as required by subdivision (d) of Section 12084.

(j) For purposes of Section 12023, a firearm shall be deemed to be “loaded” whenever both the firearm and the unexpended ammunition capable of being discharged from the firearm are in the immediate possession of the same person.

SEC. 4. Section 12020 of the Penal Code is amended to read:

12020. (a) Any person in this state who manufactures or causes to be manufactured, imports into the state, keeps for sale, or offers or exposes for sale, or who gives, lends, or possesses any cane gun or wallet gun, any undetectable firearm, any firearm which is not immediately recognizable as a firearm, any camouflaging firearm container, any ammunition which contains or consists of any fléchette dart, any bullet containing or carrying an explosive agent, any ballistic knife, any multiburst trigger activator, any nunchaku, any short-barreled shotgun, any short-barreled rifle, any metal knuckles, any belt buckle knife, any leaded cane, any zip gun, any shuriken, any unconventional pistol, any lipstick case knife, any cane sword, any shobi-zue, any air gauge knife, any writing pen knife, or any instrument or weapon of the kind commonly known as a blackjack, slungshot, billy, sandclub, sap, or sandbag, or who carries concealed upon his or her person any explosive substance, other than fixed ammunition, or who carries concealed upon his or her person any dirk or dagger is punishable by imprisonment in a county jail not exceeding one year or in the state prison. A bullet containing or carrying an explosive agent is not a destructive device as that term

is used in Section 12301.

(b) Subdivision (a) does not apply to any of the following:

(1) The sale to, purchase by, or possession of short-barreled shotguns or short-barreled rifles by police departments, sheriffs' offices, marshals' offices, the California Highway Patrol, the Department of Justice, or the military or naval forces of this state or of the United States for use in the discharge of their official duties or the possession of short-barreled shotguns and short-barreled rifles by regular, salaried, full-time members of a police department, sheriff's office, marshal's office, the California Highway Patrol, or the Department of Justice when on duty and the use is authorized by the agency and is within the course and scope of their duties.

(2) The manufacture, possession, transportation or sale of short-barreled shotguns or short-barreled rifles when authorized by the Department of Justice pursuant to Article 6 (commencing with Section 12095) of this chapter and not in violation of federal law.

(3) The possession of a nunchaku on the premises of a school which holds a regulatory or business license and teaches the arts of self-defense.

(4) The manufacture of a nunchaku for sale to, or the sale of a nunchaku to, a school which holds a regulatory or business license and teaches the arts of self-defense.

(5) Any antique firearm. For purposes of this section, "antique firearm" means any firearm not designed or redesigned for using rimfire or conventional center fire ignition with fixed ammunition and manufactured in or before 1898 (including any matchlock, flintlock, percussion cap, or similar type of ignition system or replica thereof, whether actually manufactured before or after the year 1898) and also any firearm using fixed ammunition manufactured in or before 1898, for which ammunition is no longer manufactured in the United States and is not readily available in the ordinary channels of commercial trade.

(6) Tracer ammunition manufactured for use in shotguns.

(7) Any firearm or ammunition which is a curio or relic as defined in Section 178.11 of Title 27 of the Code of Federal Regulations and which is in the possession of a person permitted to possess the items pursuant to Chapter 44 (commencing with Section 921) of Title 18 of the United States Code and the regulations issued pursuant thereto. Any person prohibited by Section 12021, 12021.1, or 12101 of this code or Section 8100 or 8103 of the Welfare and Institutions Code from possessing firearms or ammunition who obtains title to these items by bequest or intestate succession may retain title for not more than one year, but actual possession of these items at any time is punishable pursuant to Section 12021, 12021.1, or 12101 of this code or Section 8100 or 8103 of the Welfare and Institutions Code. Within the year the person shall transfer title to the firearms or ammunition by sale, gift, or other disposition. Any person who violates this paragraph is in violation of subdivision (a).

(8) Any other weapon as defined in subsection (e) of Section 5845

of Title 26 of the United States Code and which is in the possession of a person permitted to possess the weapons pursuant to the federal Gun Control Act of 1968 (Public Law 90-618), as amended, and the regulations issued pursuant thereto. Any person prohibited by Section 12021, 12021.1, or 12101 of this code or Section 8100 or 8103 of the Welfare and Institutions Code from possessing these weapons who obtains title to these weapons by bequest or intestate succession may retain title for not more than one year, but actual possession of these weapons at any time is punishable pursuant to Section 12021, 12021.1, or 12101 of this code or Section 8100 or 8103 of the Welfare and Institutions Code. Within the year, the person shall transfer title to the weapons by sale, gift, or other disposition. Any person who violates this paragraph is in violation of subdivision (a). The exemption provided in this subdivision does not apply to pen guns.

(9) Instruments or devices that are possessed by federal, state, and local historical societies, museums, and institutional collections which are open to the public, provided that these instruments or devices are properly housed, secured from unauthorized handling, and, if the instrument or device is a firearm, unloaded.

(10) Instruments or devices, other than short-barreled shotguns or short-barreled rifles, that are possessed or utilized during the course of a motion picture, television, or video production or entertainment event by an authorized participant therein in the course of making that production or event or by an authorized employee or agent of the entity producing that production or event.

(11) Instruments or devices, other than short-barreled shotguns or short-barreled rifles, that are sold by, manufactured by, exposed or kept for sale by, possessed by, imported by, or lent by persons who are in the business of selling instruments or devices listed in subdivision (a) solely to the entities referred in paragraphs (9) and (10) when engaging in transactions with those entities.

(12) The sale to, possession of, or purchase of any weapon, device, or ammunition, other than a short-barreled rifle or short-barreled shotgun, by any federal, state, county, city and county, or city agency that is charged with the enforcement of any law for use in the discharge of their official duties, or the possession of any weapon, device, or ammunition, other than a short-barreled rifle or short-barreled shotgun, by peace officers thereof when on duty and the use is authorized by the agency and is within the course and scope of their duties.

(13) Weapons, devices, and ammunition, other than a short-barreled rifle or short-barreled shotgun, that are sold by, manufactured by, exposed, or kept for sale by, possessed by, imported by, or lent by, persons who are in the business of selling weapons, devices, and ammunition listed in subdivision (a) solely to the entities referred to in paragraph (12) when engaging in transactions with those entities.

(14) The manufacture for, sale to, exposing or keeping for sale to, importation of, or lending of wooden clubs or batons to special police

officers or uniformed security guards authorized to carry any wooden club or baton pursuant to Section 12002 by entities that are in the business of selling wooden batons or clubs to special police officers and uniformed security guards when engaging in transactions with those persons.

(c) (1) As used in this section, a “short-barreled shotgun” means any of the following:

(A) A firearm which is designed or redesigned to fire a fixed shotgun shell and having a barrel or barrels of less than 18 inches in length.

(B) A firearm which has an overall length of less than 26 inches and which is designed or redesigned to fire a fixed shotgun shell.

(C) Any weapon made from a shotgun (whether by alteration, modification, or otherwise) if that weapon, as modified, has an overall length of less than 26 inches or a barrel or barrels of less than 18 inches in length.

(D) Any device which may be readily restored to fire a fixed shotgun shell which, when so restored, is a device defined in subparagraphs (A) to (C), inclusive.

(E) Any part, or combination of parts, designed and intended to convert a device into a device defined in subparagraphs (A) to (C), inclusive, or any combination of parts from which a device defined in subparagraphs (A) to (C), inclusive, can be readily assembled if those parts are in the possession or under the control of the same person.

(2) As used in this section, a “short-barreled rifle” means any of the following:

(A) A rifle having a barrel or barrels of less than 16 inches in length.

(B) A rifle with an overall length of less than 26 inches.

(C) Any weapon made from a rifle (whether by alteration, modification, or otherwise) if that weapon as modified has an overall length of less than 26 inches or a barrel or barrels of less than 16 inches in length.

(D) Any device which may be readily restored to fire a fixed cartridge which, when so restored, is a device defined in subparagraphs (A) to (C), inclusive.

(E) Any part, or combination of parts, designed and intended to convert a device into a device defined in subparagraphs (A) to (C), inclusive, or any combination of parts from which a device defined in subparagraphs (A) to (C), inclusive, may be readily assembled if those parts are in the possession or under the control of the same person.

(3) As used in this section, a “nunchaku” means an instrument consisting of two or more sticks, clubs, bars or rods to be used as handles, connected by a rope, cord, wire, or chain, in the design of a weapon used in connection with the practice of a system of self-defense such as karate.

(4) As used in this section, a “wallet gun” means any firearm

mounted or enclosed in a case, resembling a wallet, designed to be or capable of being carried in a pocket or purse, if such firearm may be fired while mounted or enclosed in such case.

(5) As used in this section, a “cane gun” means any firearm mounted or enclosed in a stick, staff, rod, crutch, or similar device, designed to be, or capable of being used as, an aid in walking, if such firearm may be fired while mounted or enclosed therein.

(6) As used in this section, a “fléchette dart” means a dart, capable of being fired from a firearm, which measures approximately one inch in length, with tail fins which take up five-sixteenths of an inch of the body.

(7) As used in this section, “metal knuckles” means any device or instrument made wholly or partially of metal which is worn for purposes of offense or defense in or on the hand and which either protects the wearer’s hand while striking a blow or increases the force of impact from the blow or injury to the individual receiving the blow. The metal contained in the device may help support the hand or fist, provide a shield to protect it, or consist of projections or studs which would contact the individual receiving a blow.

(8) As used in this section, a “ballistic knife” means a device that propels a knifelike blade as a projectile by means of a coil spring, elastic material, or compressed gas. Ballistic knife does not include any device which propels an arrow or a bolt by means of any common bow, compound bow, crossbow, or underwater spear gun.

(9) As used in this section, a “camouflaging firearm container” means a container which meets all of the following criteria:

(A) It is designed and intended to enclose a firearm.

(B) It is designed and intended to allow the firing of the enclosed firearm by external controls while the firearm is in the container.

(C) It is not readily recognizable as containing a firearm.

“Camouflaging firearm container” does not include any camouflaging covering used while engaged in lawful hunting or while going to or returning from a lawful hunting expedition.

(10) As used in this section, a “zip gun” means any weapon or device which meets all of the following criteria:

(A) It was not imported as a firearm by an importer licensed pursuant to Chapter 44 (commencing with Section 921) of Title 18 of the United States Code and the regulations issued pursuant thereto.

(B) It was not originally designed to be a firearm by a manufacturer licensed pursuant to Chapter 44 (commencing with Section 921) of Title 18 of the United States Code and the regulations issued pursuant thereto.

(C) No tax was paid on the weapon or device nor was an exemption from paying tax on that weapon or device granted under Section 4181 and subchapters F (commencing with Section 4216) and G (commencing with Section 4221) of Chapter 32 of Title 26 of the United States Code, as amended, and the regulations issued pursuant thereto.

(D) It is made or altered to expel a projectile by the force of an explosion or other form of combustion.

(11) As used in this section, a "shuriken" means any instrument, without handles, consisting of a metal plate having three or more radiating points with one or more sharp edges and designed in the shape of a polygon, trefoil, cross, star, diamond, or other geometric shape for use as a weapon for throwing.

(12) As used in this section, an "unconventional pistol" means a firearm that does not have a rifled bore and has a barrel or barrels of less than 18 inches in length or has an overall length of less than 26 inches.

(13) As used in this section, a "belt buckle knife" is a knife which is made an integral part of a belt buckle and consists of a blade with a length of at least 2½ inches.

(14) As used in this section, a "lipstick case knife" means a knife enclosed within and made an integral part of a lipstick case.

(15) As used in this section, a "cane sword" means a cane, swagger stick, stick, staff, rod, pole, umbrella, or similar device, having concealed within it a blade that may be used as a sword or stiletto.

(16) As used in this section, a "shobi-zue" means a staff, crutch, stick, rod, or pole concealing a knife or blade within it which may be exposed by a flip of the wrist or by a mechanical action.

(17) As used in this section, a "leaded cane" means a staff, crutch, stick, rod, pole, or similar device, unnaturally weighted with lead.

(18) As used in this section, an "air gauge knife" means a device that appears to be an air gauge but has concealed within it a pointed, metallic shaft that is designed to be a stabbing instrument which is exposed by mechanical action or gravity which locks into place when extended.

(19) As used in this section, a "writing pen knife" means a device that appears to be a writing pen but has concealed within it a pointed, metallic shaft that is designed to be a stabbing instrument which is exposed by mechanical action or gravity which locks into place when extended or the pointed, metallic shaft is exposed by the removal of the cap or cover on the device.

(20) As used in this section, a "rifle" means a weapon designed or redesigned, made or remade, and intended to be fired from the shoulder and designed or redesigned and made or remade to use the energy of the explosive in a fixed cartridge to fire only a single projectile through a rifled bore for each single pull of the trigger.

(21) As used in this section, a "shotgun" means a weapon designed or redesigned, made or remade, and intended to be fired from the shoulder and designed or redesigned and made or remade to use the energy of the explosive in a fixed shotgun shell to fire through a smooth bore either a number of projectiles (ball shot) or a single projectile for each pull of the trigger.

(22) As used in this section, an "undetectable firearm" means any weapon which meets one of the following requirements:

(A) When, after removal of grips, stocks, and magazines, it is not

as detectable as the Security Exemplar, by walk-through metal detectors calibrated and operated to detect the Security Exemplar.

(B) When any major component of which, when subjected to inspection by the types of X-ray machines commonly used at airports, does not generate an image that accurately depicts the shape of the component. Barium sulfate or other compounds may be used in the fabrication of the component.

(C) For purposes of this paragraph, the terms “firearm,” “major component,” and “Security Exemplar” have the same meanings as those terms are defined in Section 922 of Title 18 of the United States Code.

All firearm detection equipment newly installed in nonfederal public buildings in this state shall be of a type identified by either the United States Attorney General, the Secretary of Transportation, or the Secretary of the Treasury, as appropriate, as available state-of-the-art equipment capable of detecting an undetectable firearm, as defined, while distinguishing innocuous metal objects likely to be carried on one’s person sufficient for reasonable passage of the public.

(23) As used in this section, a “multiburst trigger activator” means one of the following devices:

(A) A device designed or redesigned to be attached to a semiautomatic firearm which allows the firearm to discharge two or more shots in a burst by activating the device.

(B) A manual or power-driven trigger activating device constructed and designed so that when attached to a semiautomatic firearm it increases the rate of fire of that firearm.

(24) As used in this section, a “dirk” or “dagger” means a knife or other instrument with or without a handguard that is primarily designed, constructed, or altered to be a stabbing instrument designed to inflict great bodily injury or death.

(d) Knives carried in sheaths which are worn openly suspended from the waist of the wearer are not concealed within the meaning of this section.

SEC. 5. Section 12021 of the Penal Code is amended to read:

12021. (a) (1) Any person who has been convicted of a felony under the laws of the United States, the State of California, or any other state, government, or country, or of an offense enumerated in subdivision (a), (b), or (d) of Section 12001.6, or who is addicted to the use of any narcotic drug, who owns, or has in his or her possession or under his or her custody or control, any firearm is guilty of a felony.

(2) Any person who has two or more convictions for violating paragraph (2) of subdivision (a) of Section 417 and who owns or has in his or her possession or under his or her custody or control any firearm is guilty of a felony.

(b) Notwithstanding subdivision (a), any person who has been convicted of a felony or of an offense enumerated in Section 12001.6, when that conviction results from certification by the juvenile court

for prosecution as an adult in an adult court under Section 707 of the Welfare and Institutions Code, who owns or has in his or her possession or under his or her custody or control any firearm is guilty of a felony.

(c) (1) Except as provided in subdivision (a) or paragraph (2) of this subdivision, any person who has been convicted of a misdemeanor violation of Section 136.5, 140, 171b, 171c, 171d, 240, 241, 242, 243, 244.5, 245, 245.5, 246.3, 247, 273.5, 273.6, 417, 417.2, 626.9, 646.9, 12023, subdivision (b) or (d) of Section 12034, paragraph (1) or (2) of subdivision (a) of Section 12072, subdivision (a) of former Section 12100, Section 12320 or 12590, or Section 8101 of the Welfare and Institutions Code, or of the conduct punished in paragraph (2) of subdivision (g) of Section 12072, or the sale of a pistol, revolver, or other firearm capable of being concealed upon the person in violation of paragraph (3) of subdivision (a) of Section 12072, and who, within 10 years of the conviction, owns, or has in his or her possession or under his or her custody or control, any firearm is guilty of a public offense, which shall be punishable by imprisonment in the state prison or in a county jail not exceeding one year, by a fine not exceeding one thousand dollars (\$1,000), or by both that imprisonment and fine. The court, on forms prescribed by the Department of Justice, shall notify the department of persons subject to this subdivision. However, the prohibition in this paragraph may be reduced, eliminated, or conditioned as provided in paragraph (2) or (3).

(2) Any person employed as a peace officer described in Section 830.1, 830.2, 830.31, 830.32, 830.33, or 830.5 whose employment or livelihood is dependent on the ability to legally possess a firearm, who is subject to the prohibition imposed by this subdivision because of a conviction under Section 273.5, 273.6, or 646.9, may petition the court only once for relief from this prohibition. The petition shall be filed with the court in which the petitioner was sentenced. If possible, the matter shall be heard before the same judge that sentenced the petitioner. Upon filing the petition, the clerk of the court shall set the hearing date and shall notify the petitioner and the prosecuting attorney of the date of the hearing. Upon making each of the following findings, the court may reduce or eliminate the prohibition, impose conditions on reduction or elimination of the prohibition, or otherwise grant relief from the prohibition as the court deems appropriate:

(A) Finds by a preponderance of the evidence that the petitioner is likely to use a firearm in a safe and lawful manner.

(B) Finds that the petitioner is not within a prohibited class as specified in subdivision (a), (b), (d), (e), or (g) or Section 12021.1, and the court is not presented with any credible evidence that the petitioner is a person described in Section 8100 or 8103 of the Welfare and Institutions Code.

(C) Finds that the petitioner does not have a previous conviction under subdivision (c) no matter when the prior conviction occurred.

In making its decision, the court shall consider the petitioner's continued employment, the interest of justice, any relevant evidence, and the totality of the circumstances. The court shall require, as a condition of granting relief from the prohibition under this section, that the petitioner agree to participate in counseling as deemed appropriate by the court. Relief from the prohibition shall not relieve any other person or entity from any liability that might otherwise be imposed. It is the intent of the Legislature that courts exercise broad discretion in fashioning appropriate relief under this paragraph in cases in which relief is warranted. However, nothing in this paragraph shall be construed to require courts to grant relief to any particular petitioner. It is the intent of the Legislature to permit persons who were convicted of an offense specified in Section 273.5, 273.6, or 646.9 to seek relief from the prohibition imposed by this subdivision.

(3) Any person who is subject to the prohibition imposed by this subdivision because of a conviction prior to January 1, 1991, may petition the court only once for relief from this prohibition. The petition shall be filed with the court in which the petitioner was sentenced. If possible, the matter shall be heard before the same judge that sentenced the petitioner. Upon filing the petition, the clerk of the court shall set the hearing date and notify the petitioner and the prosecuting attorney of the date of the hearing. Upon making each of the following findings, the court may reduce or eliminate the prohibition, impose conditions on reduction or elimination of the prohibition, or otherwise grant relief from the prohibition as the court deems appropriate:

(A) Finds by a preponderance of the evidence that the petitioner is likely to use a firearm in a safe and lawful manner.

(B) Finds that the petitioner is not within a prohibited class as specified in subdivision (a), (b), (d), (e), or (g) or Section 12021.1, and the court is not presented with any credible evidence that the petitioner is a person described in Section 8100 or 8103 of the Welfare and Institutions Code.

(C) Finds that the petitioner does not have a previous conviction under this subdivision, no matter when the prior conviction occurred.

In making its decision, the court may consider the interest of justice, any relevant evidence, and the totality of the circumstances. It is the intent of the Legislature that courts exercise broad discretion in fashioning appropriate relief under this paragraph in cases in which relief is warranted. However, nothing in this paragraph shall be construed to require courts to grant relief to any particular petitioner.

(4) Law enforcement officials who enforce the prohibition specified in this subdivision against a person who has been granted relief pursuant to paragraph (2) or (3), shall be immune from any liability for false arrest arising from the enforcement of this subdivision unless the person has in his or her possession a certified

copy of the court order that granted the person relief from the prohibition. This immunity from liability shall not relieve any person or entity from any other liability that might otherwise be imposed.

(d) Any person who, as an express condition of probation, is prohibited or restricted from owning, possessing, controlling, receiving, or purchasing a firearm and who owns, or has in his or her possession or under his or her custody or control, any firearm but who is not subject to subdivision (a) or (c) is guilty of a public offense, which shall be punishable by imprisonment in the state prison or in a county jail not exceeding one year, by a fine not exceeding one thousand dollars (\$1,000), or by both that imprisonment and fine. The court, on forms provided by the Department of Justice, shall notify the department of persons subject to this subdivision. The notice shall include a copy of the order of probation and a copy of any minute order or abstract reflecting the order and conditions of probation.

(e) Any person who (1) is alleged to have committed an offense listed in subdivision (b) of Section 707 of the Welfare and Institutions Code or an offense described in subdivision (b) of Section 1203.073, (2) is found to be a fit and proper subject to be dealt with under the juvenile court law, and (3) is subsequently adjudged a ward of the juvenile court within the meaning of Section 602 of the Welfare and Institutions Code because the person committed an offense listed in subdivision (b) of Section 707 of the Welfare and Institutions Code or an offense described in subdivision (b) of Section 1203.073 shall not own, or have in his or her possession or under his or her custody or control, any firearm until the age of 30 years. A violation of this subdivision shall be punishable by imprisonment in the state prison or in a county jail not exceeding one year, by a fine not exceeding one thousand dollars (\$1,000), or by both that imprisonment and fine. The juvenile court, on forms prescribed by the Department of Justice, shall notify the department of persons subject to this subdivision. Notwithstanding any other law, the forms required to be submitted to the department pursuant to this subdivision may be used to determine eligibility to acquire a firearm.

(f) Subdivision (a) shall not apply to a person who has been convicted of a felony under the laws of the United States unless either of the following criteria is satisfied:

(1) Conviction of a like offense under California law can only result in imposition of felony punishment.

(2) The defendant was sentenced to a federal correctional facility for more than 30 days, or received a fine of more than one thousand dollars (\$1,000), or received both punishments.

(g) Every person who purchases or receives, or attempts to purchase or receive, a firearm knowing that he or she is subject to a protective order as defined in Section 6218 of the Family Code, is guilty of a public offense, which shall be punishable by imprisonment in the state prison or in a county jail not exceeding one year, by a fine not exceeding one thousand dollars (\$1,000), or both that

imprisonment and fine. This subdivision does not apply unless the copy of the restraining order personally served on the person against whom the restraining order is issued contains a notice in bold print stating (1) that the person is prohibited from purchasing or receiving or attempting to purchase or receive a firearm and (2) specifying the penalties for violating this subdivision, or a court has provided actual verbal notice of the firearm prohibition and penalty as provided in Section 6304 of the Family Code. However, this subdivision does not apply if the firearm is received as part of the disposition of community property pursuant to Division 7 (commencing with Section 2500) of the Family Code.

SEC. 6. Section 12023 of the Penal Code is repealed.

SEC. 7. Section 12023 is added to the Penal Code, to read:

12023. (a) Every person who carries a loaded firearm with the intent to commit a felony is guilty of armed criminal action.

(b) Armed criminal action is punishable by imprisonment in a county jail not exceeding one year, or in the state prison.

SEC. 8. Section 12025 of the Penal Code is amended to read:

12025. (a) A person is guilty of carrying a concealed firearm when he or she does any of the following:

(1) Carries concealed within any vehicle which is under his or her control or direction any pistol, revolver, or other firearm capable of being concealed upon the person.

(2) Carries concealed upon his or her person any pistol, revolver, or other firearm capable of being concealed upon the person.

(b) Carrying a concealed firearm in violation of this section is punishable, as follows:

(1) Where the person previously has been convicted of any felony, or of any crime made punishable by this chapter, as a felony.

(2) Where the person has been convicted of a crime against the person or property, or of a narcotics or dangerous drug violation, by imprisonment in the state prison, or by imprisonment in a county jail not to exceed one year, by a fine not to exceed one thousand dollars (\$1,000), or by both that imprisonment and fine.

(3) In all cases other than those specified in paragraphs (1) and (2), as a misdemeanor, punishable by imprisonment in a county jail not to exceed one year, by a fine not to exceed one thousand dollars (\$1,000), or by both that imprisonment and fine.

(c) (1) Every person convicted under this section who previously has been convicted of a misdemeanor offense enumerated in Section 12001.6 shall be punished by imprisonment in a county jail for at least three months and not exceeding six months, or, if granted probation, or if the execution or imposition of sentence is suspended, it shall be a condition thereof that he or she be imprisoned in a county jail for at least three months.

(2) Every person convicted under this section who has previously been convicted of any felony, or of any crime made punishable by this chapter, if probation is granted, or if the execution or imposition of sentence is suspended, it shall be a condition thereof that he or she

be imprisoned in a county jail for not less than three months.

(d) The court shall apply the three-month minimum sentence as specified in subdivision (c), except in unusual cases where the interests of justice would best be served by granting probation or suspending the imposition or execution of sentence without the minimum imprisonment required in subdivision (c) or by granting probation or suspending the imposition or execution of sentence with conditions other than those set forth in subdivision (c), in which case, the court shall specify on the record and shall enter on the minutes the circumstances indicating that the interests of justice would best be served by such a disposition.

(e) Firearms carried openly in belt holsters are not concealed within the meaning of this section.

SEC. 9. Section 12026.2 of the Penal Code is amended to read:

12026.2. (a) Section 12025 does not apply to, or affect, any of the following:

(1) The possession of a firearm by an authorized participant in a motion picture, television, or video production or entertainment event when the participant lawfully uses the firearm as part of that production or event or while going directly to, or coming directly from, that production or event.

(2) The possession of a firearm in a locked container by a member of any club or organization, organized for the purpose of lawfully collecting and lawfully displaying pistols, revolvers, or other firearms, while the member is at meetings of the clubs or organizations or while going directly to, and coming directly from, those meetings.

(3) The transportation of a firearm by a participant when going directly to, or coming directly from, a recognized safety or hunter safety class, or a recognized sporting event involving that firearm.

(4) The transportation of a firearm by a person listed in Section 12026 directly between any of the places mentioned in Section 12026.

(5) The transportation of a firearm by a person when going directly to, or coming directly from, a fixed place of business or private residential property for the purpose of the lawful repair or the lawful transfer, sale, or loan of that firearm.

(6) The transportation of a firearm by a person listed in Section 12026 when going directly from the place where that person lawfully received that firearm to that person's place of residence or place of business or to private property owned or lawfully possessed by that person.

(7) The transportation of a firearm by a person when going directly to, or coming directly from, a gun show, swap meet, or similar event to which the public is invited, for the purpose of displaying that firearm in a lawful manner.

(8) The transportation of a firearm by an authorized employee or agent of a supplier of firearms when going directly to, or coming directly from, a motion picture, television, or video production or entertainment event for the purpose of providing that firearm to an

authorized participant to lawfully use as a part of that production or event.

(9) The transportation of a firearm by a person when going directly to, or coming directly from, a target range, which holds a regulatory or business license, for the purposes of practicing shooting at targets with that firearm at that target range.

(10) The transportation of a firearm by a person when going directly to, or coming directly from, a place designated by a person authorized to issue licenses pursuant to Section 12050 when done at the request of the issuing agency so that the issuing agency can determine whether or not a license should be issued to that person to carry that firearm.

(11) The transportation of a firearm by a person when going directly to, or coming directly from, a law enforcement agency for the purpose of a lawful transfer, sale, or loan of that firearm pursuant to Section 12084.

(12) The transportation of a firearm by a person when going directly to, or coming directly from, a lawful camping activity for the purpose of having that firearm available for lawful personal protection while at the lawful campsite. This paragraph shall not be construed to override the statutory authority granted to the Department of Parks and Recreation or any other state or local governmental agencies to promulgate rules and regulations governing the administration of parks and campgrounds.

(13) The transportation of a firearm by a person in order to comply with subdivision (i) of Section 12078 as it pertains to that firearm.

(14) The transportation of a firearm by a person in order to utilize subdivision (l) of Section 12078 as it pertains to that firearm.

(15) The transportation of a firearm by a person when going directly to, or coming directly from, a gun show or event, as defined in Section 178.100 of Title 27 of the Code of Federal Regulations, for the purpose of lawfully transferring, selling, or loaning that firearm in accordance with subdivision (d) of Section 12072.

(b) In order for a firearm to be exempted under subdivision (a), while being transported to or from a place, the firearm shall be unloaded, kept in a locked container, as defined in subdivision (d), and the course of travel shall include only those deviations between authorized locations as are reasonably necessary under the circumstances.

(c) This section does not prohibit or limit the otherwise lawful carrying or transportation of any pistol, revolver, or other firearm capable of being concealed upon the person in accordance with this chapter.

(d) As used in this section, "locked container" means a secure container which is fully enclosed and locked by a padlock, key lock, combination lock, or similar locking device. The term "locked container" does not include the utility or glove compartment of a motor vehicle.

SEC. 10. Section 12071 of the Penal Code is amended to read:

12071. (a) (1) As used in this chapter, the term "licensee," "person licensed pursuant to Section 12071," or "dealer" means a person who has (A) a valid federal firearms license, (B) any regulatory or business license, or licenses, required by local government, (C) a valid seller's permit issued by the State Board of Equalization, (D) a certificate of eligibility issued by the Department of Justice pursuant to paragraph (4), and (E) a license issued in the format prescribed by paragraph (6).

(2) The duly constituted licensing authority of a city, county, or a city and county shall accept applications for, and may grant licenses permitting, licensees to sell firearms at retail within the city, county, or city and county. The duly constituted licensing authority shall inform applicants who are denied licenses of the reasons for the denial in writing.

(3) No license shall be granted to any applicant who fails to provide a copy of his or her valid federal firearms license, valid seller's permit issued by the State Board of Equalization, and the certificate of eligibility described in paragraph (4).

(4) A person may request a certificate of eligibility from the Department of Justice and the Department of Justice shall issue a certificate to an applicant if the department's records indicate that the applicant is not a person who is prohibited from possessing firearms.

(5) The department shall adopt regulations to administer the certificate of eligibility program and shall recover the full costs of administering the program by imposing fees assessed to applicants who apply for those certificates.

(6) A license granted by the duly constituted licensing authority of any city, county, or city and county, shall be valid for not more than one year from the date of issuance and shall be in one of the following forms:

(A) In the form prescribed by the Attorney General.

(B) A regulatory or business license that states on its face "Valid for Retail Sales of Firearms" and is endorsed by the signature of the issuing authority.

(C) A letter from the duly constituted licensing authority having primary jurisdiction for the applicant's intended business location stating that the jurisdiction does not require any form of regulatory or business license or does not otherwise restrict or regulate the sale of firearms.

(7) Local licensing authorities may assess fees to recover their full costs of processing applications for licenses.

(b) A license is subject to forfeiture for a breach of any of the following prohibitions and requirements:

(1) (A) Except as provided in subparagraphs (B) and (C), the business shall be conducted only in the buildings designated in the license.

(B) A person licensed pursuant to subdivision (a) may take

possession of firearms and commence preparation of registers for the sale, delivery, or transfer of firearms at gun shows or events, as defined in Section 178.100 of Title 27 of the Code of Federal Regulations, or its successor, if the gun show or event is not conducted from any motorized or towed vehicle. A person conducting business pursuant to this subparagraph shall be entitled to conduct business as authorized herein at any gun show or event in the state without regard to the jurisdiction within this state that issued the license pursuant to subdivision (a), provided the person complies with (i) all applicable laws, including, but not limited to, the 15-day waiting period specified in subparagraph (A) of paragraph (3), and (ii) all applicable local laws, regulations, and fees, if any.

A person conducting business pursuant to this subparagraph shall publicly display his or her license issued pursuant to subdivision (a), or a facsimile thereof, at any gun show or event, as specified in this subparagraph.

(C) A person licensed pursuant to subdivision (a) may engage in the sale and transfer of firearms other than pistols, revolvers, or other firearms capable of being concealed upon the person, at events specified in subdivision (g) of Section 12078, subject to the prohibitions and restrictions contained in that subdivision.

A person licensed pursuant to subdivision (a) also may accept delivery of firearms other than pistols, revolvers, or other firearms capable of being concealed upon the person, outside the building designated in the license, provided the firearm is being donated for the purpose of sale or transfer at an auction or similar event specified in subdivision (g) of Section 12078.

(2) The license or a copy thereof, certified by the issuing authority, shall be displayed on the premises where it can easily be seen.

(3) No firearm shall be delivered:

(A) Prior to January 1, 1996, within 15 days of the application for the purchase, or, after notice by the department pursuant to subdivision (c) of Section 12076, within 15 days of the submission to the department of corrected copies of the register, or within 15 days of the submission to the department of any fee required pursuant to subdivision (d) of Section 12076, whichever is later. On or after January 1, 1996, within 15 days of the application for the purchase of a pistol, revolver, or other firearm capable of being concealed upon the person, or, after notice by the department pursuant to subdivision (c) of Section 12076, within 15 days of the submission to the department of corrected copies of the register, or within 15 days of the submission to the department of any fee required pursuant to subdivision (d) of Section 12076, whichever is later. On or after January 1, 1996, within 10 days of the application for the purchase of any other firearm, or, after notice by the department pursuant to subdivision (c) of Section 12076, within 10 days of the submission to the department of corrected copies of the register, or within 10 days

of the submission to the department of any fee required pursuant to subdivision (d) of Section 12076, whichever is later.

(B) Unless unloaded and securely wrapped or unloaded and in a locked container.

(C) Unless the purchaser, transferee, or person being loaned the firearm presents clear evidence of his or her identity and age to the dealer.

(D) Whenever the dealer is notified by the Department of Justice that the person is in a prohibited class described in Section 12021 or 12021.1 of this code or Section 8100 or 8103 of the Welfare and Institutions Code.

(4) No pistol, revolver, or other firearm capable of being concealed upon the person or imitation thereof, or placard advertising the sale or other transfer thereof, shall be displayed in any part of the premises where it can readily be seen from the outside.

(5) The licensee shall agree to and shall act properly and promptly in processing firearms transactions pursuant to Section 12082.

(6) The licensee shall comply with Sections 12073 and 12077 and subdivisions (a) and (b) of Section 12072.

(7) The licensee shall post conspicuously within the licensed premises the following warning in block letters not less than one inch in height:

"IF YOU LEAVE A LOADED FIREARM WHERE A CHILD OBTAINS AND IMPROPERLY USES IT, YOU MAY BE FINED OR SENT TO PRISON."

(8) Commencing April 1, 1994, no pistol, revolver, or other firearm capable of being concealed upon the person shall be delivered unless the purchaser, transferee, or person being loaned the firearm presents to the dealer a basic firearm safety certificate.

(9) Commencing July 1, 1992, the licensee shall offer to provide the purchaser or transferee of a firearm, or person being loaned a firearm, with a copy of the pamphlet described in Section 12080 and may add the cost of the pamphlet, if any, to the sales price of the firearm.

(10) The licensee shall not commit an act of collusion as defined in Section 12072.

(11) The licensee shall post conspicuously within the licensed premises a detailed list of each of the following:

(A) All charges required by governmental agencies for processing firearm transfers required by Sections 12076, 12082, and 12806.

(B) All fees that the licensee charges pursuant to Sections 12082 and 12806.

(12) The licensee shall not misstate the amount of fees charged by a governmental agency pursuant to Sections 12076, 12082, and 12806.

(13) The licensee shall report the loss or theft of any firearm that is merchandise of the licensee, any firearm that the licensee takes possession of pursuant to Section 12082, or any firearm kept at the

licensee's place of business within 48 hours of discovery to the appropriate law enforcement agency in the city, county, or city and county where the licensee's business premises are located.

(14) In a city and county, or in the unincorporated area of a county with a population of 200,000 persons or more according to the most recent federal decennial census or within a city with a population of 50,000 persons or more according to the most recent federal decennial census, any time the licensee is not open for business, the licensee shall store all firearms kept in his or her licensed place of business using one of the following methods as to each particular firearm:

(A) Store the firearm in a secure facility that is a part of, or that constitutes, the licensee's business premises.

(B) Secure the firearm with a hardened steel rod or cable of at least one-eighth inch in diameter through the trigger guard of the firearm. The steel rod or cable shall be secured with a hardened steel lock that has a shackle. The lock and shackle shall be protected or shielded from the use of a bolt cutter and the rod or cable shall be anchored in a manner that prevents the removal of the firearm from the premises.

(C) Store the firearm in a locked fireproof safe or vault in the licensee's business premises.

(15) The licensing authority in an unincorporated area of a county with a population less than 200,000 persons according to the most recent federal decennial census or within a city with a population of less than 50,000 persons according to the most recent federal decennial census may impose the requirements specified in paragraph (14).

(16) Commencing January 1, 1994, the licensee shall, upon the issuance or renewal of a license, submit a copy of the same to the Department of Justice.

(c) (1) As used in this article, "clear evidence of his or her identity and age" includes, but is not limited to, a motor vehicle operator's license, a state identification card, an armed forces identification card, an employment identification card which contains the bearer's signature and photograph, or any similar documentation which provides the person delivering the firearm reasonable assurance of the identity and age of the person being delivered the firearm.

(2) As used in this article, a "basic firearm safety certificate" means a basic firearm certificate issued to the purchaser, transferee, or person being loaned the firearm by the Department of Justice pursuant to Article 8 (commencing with Section 12800) of Chapter 6.

(3) As used in this section, a "secure facility" means a building that meets all of the following specifications:

(A) All perimeter doorways shall meet one of the following:

(i) A windowless steel security door equipped with both a dead bolt and a doorknob lock.

(ii) A windowed metal door that is equipped with both a dead bolt and a doorknob lock. If the window has an opening of five inches or more measured in any direction, the window shall be covered with steel bars of at least one-half inch diameter or metal grating of at least nine gauge affixed to the exterior or interior of the door.

(iii) A metal grate that is padlocked and affixed to the licensee's premises independent of the door and doorframe.

(B) All windows are covered with steel bars.

(C) Heating, ventilating, air-conditioning, and service openings are secured with steel bars, metal grating, or an alarm system.

(D) Any metal grates have spaces no larger than six inches wide measured in any direction.

(E) Any metal screens have spaces no larger than three inches wide measured in any direction.

(F) All steel bars shall be no further than six inches apart.

(4) As used in this section, "licensed premises," "licensed place of business," "licensee's place of business," or "licensee's business premises" means the building designated in the license.

(d) Upon written request from a licensee, the licensing authority may grant an exemption from compliance with the requirements of paragraph (14) of subdivision (b) if the licensee is unable to comply with those requirements because of local ordinances, covenants, lease conditions, or similar circumstances not under the control of the licensee.

(e) Commencing March 1, 1994, the Department of Justice shall keep a centralized list of all persons licensed pursuant to this section and shall make information about an individual dealer available, upon request, for one of the following purposes:

(1) For law enforcement purposes.

(2) When the information is requested by a manufacturer, an importer, a wholesaler, or a dealer for determining the validity of the license for firearm shipments.

(f) Paragraph (14) or (15) of subdivision (b) shall not apply to a licensee organized as a nonprofit public benefit or mutual benefit corporation organized pursuant to Part 2 (commencing with Section 5110) or Part 3 (commencing with Section 7110) of Division 2 of the Corporations Code, if both of the following conditions are satisfied:

(1) The nonprofit public benefit or mutual benefit corporation obtained the dealer's license solely and exclusively to assist that corporation or local chapters of that corporation in conducting auctions or similar events at which firearms are auctioned off to fund the activities of that corporation or the local chapters of the corporation.

(2) The firearms are not pistols, revolvers, or other firearms capable of being concealed upon the person.

SEC. 11. Section 12072 of the Penal Code is amended to read:

12072. (a) (1) No person, corporation, or firm shall knowingly supply, sell, or give possession or control of any firearm to any person within any of the classes prohibited by Section 12021 or 12021.1.

(2) No person, corporation, or dealer shall sell, deliver, or otherwise transfer any firearm to any person whom he or she has cause to believe to be within any of the classes prohibited by Section 12021 or 12021.1 of this code or Section 8100 or 8103 of the Welfare and Institutions Code.

(3) No person, corporation, or firm shall sell, loan, or transfer any firearm to a minor.

(b) No person licensed under Section 12071 shall sell, deliver, or transfer any pistol, revolver, or firearm capable of being concealed upon the person to any person under the age of 21 years or any other firearm to a person under the age of 18 years.

(c) No dealer, whether or not acting pursuant to Section 12082, shall deliver a firearm to a purchaser or transferee, as follows:

(1) Prior to January 1, 1996, within 15 days of the application for the purchase, or, after notice by the department pursuant to subdivision (c) of Section 12076, within 15 days of the submission to the department of corrected copies of the register, or within 15 days of the submission to the department of any fee required pursuant to subdivision (d) of Section 12076, whichever is later. On or after January 1, 1996, within 15 days of the application for the purchase of a pistol, revolver, or other firearm capable of being concealed upon the person, or, after notice by the department pursuant to subdivision (c) of Section 12076, within 15 days of the submission to the department of corrected copies of the register, or within 15 days of the submission to the department of any fee required pursuant to subdivision (d) of Section 12076, whichever is later. On or after January 1, 1996, within 10 days of the application for the purchase of any other firearm, or, after notice by the department pursuant to subdivision (c) of Section 12076, within 10 days of the submission to the department of corrected copies of the register, or within 10 days of the submission to the department of any fee required pursuant to subdivision (d) of Section 12076, whichever is later.

(2) Unless unloaded and securely wrapped or unloaded and in a locked container.

(3) Unless the purchaser, transferee, or person being loaned the firearm presents clear evidence of his or her identity and age, as defined in Section 12071, to the dealer.

(4) Whenever the dealer is notified by the Department of Justice that the person is in a prohibited class described in Section 12021 or 12021.1 of this code or Section 8100 or 8103 of the Welfare and Institutions Code.

(5) Commencing April 1, 1994, no pistol, revolver, or other firearm capable of being concealed upon the person shall be delivered unless the purchaser, transferee, or person being loaned the firearm presents to the dealer a basic firearm safety certificate.

(d) Where neither party to the transaction holds a dealer's license issued pursuant to Section 12071, in order for a person to sell, loan, or transfer a firearm, the parties to the transaction shall complete the transaction through either of the following:

(1) A licensed dealer pursuant to Section 12082.

(2) A law enforcement agency pursuant to Section 12084.

(e) No person may commit an act of collusion relating to Article 8 (commencing with Section 12800) of Chapter 6. For purposes of this section and Section 12071, collusion may be proven by any one of the following factors:

(1) Answering a test applicant's questions during an objective test relating to basic firearms safety.

(2) Knowingly misgrading the examination.

(3) Providing an advance copy of the test to an applicant.

(4) Taking or allowing another person to take the basic firearms safety course for one who is the applicant for the basic firearms safety certificate.

(5) Allowing another to take the objective test for the applicant, purchaser, or transferee.

(6) Allowing others to give unauthorized assistance during the examination.

(7) Reference to materials during the examination and cheating by the applicant.

(8) Providing originals or photocopies of the objective test, or any version thereof, to any person other than as specified in subdivision (f) of Section 12805.

(f) (1) No wholesaler shall deliver, sell, or transfer a firearm to a person who is licensed pursuant to Chapter 44 (commencing with Section 921) of Title 18 of the United States Code and whose licensed premises are located in this state unless one of the following conditions is met:

(A) The person presents proof of licensure pursuant to Section 12071 to the wholesaler.

(B) The person presents proof that he or she is exempt from licensure under Section 12071 to the wholesaler, in which case the person also shall present proof that the transaction is also exempt from the provisions of subdivision (d).

(2) No importer or manufacturer who is licensed to engage in that business pursuant to Chapter 44 (commencing with Section 921) of Title 18 of the United States Code and the regulations issued pursuant thereto shall deliver, sell, or transfer a firearm to a person who is licensed pursuant to Chapter 44 (commencing with Section 921) of Title 18 of the United States Code and whose licensed premises are located in this state unless one of the following conditions is met:

(A) The person presents proof of licensure pursuant to Section 12071 to the importer or manufacturer.

(B) The person presents proof that he or she is exempt from licensure under Section 12071 to the importer or manufacturer, in which case the person also shall present proof that the transaction is also exempt from the provisions of subdivision (d).

(g) (1) Except as provided in paragraph (2) or (3), a violation of this section is a misdemeanor.

(2) If any of the following circumstances apply, a violation of this section shall be punished by imprisonment in the state prison or in a county jail not to exceed one year, or by a fine not to exceed one thousand dollars (\$1,000), or by both the fine and imprisonment:

(A) If the violation is of paragraph (1) of subdivision (a) of this section.

(B) If the defendant has a prior conviction of violating this section or former Section 12100 of this code or Section 8101 of the Welfare and Institutions Code.

(C) If the defendant has a prior conviction of violating any offense specified in subdivision (b) of Section 12021.1 or of a violation of Section 12020, 12220, 12520, or 12560.

(D) If the defendant is in a prohibited class described in Section 12021 or 12021.1 or Section 8100 or 8103 of the Welfare and Institutions Code.

(3) If any of the following circumstances apply, as a misdemeanor punishable by imprisonment in a county jail not to exceed one year, by a fine not to exceed one thousand dollars (\$1,000), or by both the imprisonment and fine:

(A) A violation of subdivision (b) involving the delivery of a pistol, revolver, or other firearm capable of being concealed upon the person to a minor.

(B) A violation of paragraph (2) of subdivision (a).

(C) The sale of a pistol, revolver, or other firearm capable of being concealed upon the person in violation of paragraph (3) of subdivision (a).

(D) The transfer of a pistol, revolver, or other firearm capable of being concealed upon the person to a minor in violation of subdivision (d).

SEC. 12. Section 12073 of the Penal Code is amended to read:

12073. (a) Every dealer shall keep a register in which shall be entered the information prescribed in Section 12077.

(b) This section shall not require the entry in the register of any of the following transactions:

(1) The delivery, sale, or transfer of an unloaded firearm that is not a pistol, revolver, or other firearm capable of being concealed upon the person by a dealer to another dealer upon proof that the person receiving the firearm is licensed pursuant to Section 12071.

(2) The delivery, sale, or transfer of an unloaded firearm by a dealer to another dealer if that firearm is intended as merchandise in the receiving dealer's business upon proof that the person receiving the firearm is licensed pursuant to Section 12071.

(3) The delivery, sale, or transfer of an unloaded firearm by a dealer to a person licensed as an importer or manufacturer pursuant to Chapter 44 (commencing with Section 921) of Title 18 of the United States Code and any regulations issued pursuant thereto.

(4) The delivery, sale, or transfer of an unloaded firearm by a dealer who sells, transfers, or delivers the firearm to a person who resides outside this state who is licensed pursuant to Chapter 44

(commencing with Section 921) of Title 18 of the United States Code and any regulations issued pursuant thereto.

(5) The delivery, sale, or transfer of an unloaded firearm by a dealer to a wholesaler if that firearm is being returned to the wholesaler and is intended as merchandise in the wholesaler's business.

(6) The delivery, sale, or transfer of an unloaded firearm that is not a pistol, revolver, or other firearm capable of being concealed upon the person by a dealer to himself or herself.

(7) The loan of an unloaded firearm by a dealer who also operates a target facility which holds a business or regulatory license on the premises of the building designated in the license or whose building designated in the license is on the premises of any club or organization organized for the purpose of practicing shooting at targets upon established ranges, whether public or private, to a person at that target facility or club or organization, if the firearm is kept at all times within the premises of the target range or on the premises of the club or organization.

(8) The delivery of an unloaded firearm by a dealer to a gunsmith for service or repair.

(c) A violation of this section is a misdemeanor.

SEC. 13. Section 12076 of the Penal Code is amended to read:

12076. (a) The purchaser of any firearm shall be required to present clear evidence of his or her identity and age, as defined in Section 12071, to the dealer, and the dealer shall require him or her to sign his or her current legal name and affix his or her residence address and date of birth to the register in quadruplicate. The salesperson shall affix his or her signature to the register in quadruplicate as a witness to the signature and identification of the purchaser. Any person furnishing a fictitious name or address or knowingly furnishing any incorrect information or knowingly omitting any information required to be provided for the register and any person violating any provision of this section is guilty of a misdemeanor.

(b) Two copies of the original sheet of the register, on the date of sale, shall be placed in the mail, postage prepaid, and properly addressed to the Department of Justice in Sacramento. The third copy of the original shall be mailed, postage prepaid, to the chief of police, or other head of the police department, of the city or county wherein the sale is made. Where the sale is made in a district where there is no municipal police department, the third copy of the original sheet shall be mailed to the sheriff of the county wherein the sale is made.

The third copy for firearms, other than pistols, revolvers, or other firearms capable of being concealed upon the person shall be destroyed within five days of receipt and no information shall be compiled therefrom.

(c) The department shall examine its records, as well as those records that it is authorized to request from the State Department

of Mental Health pursuant to Section 8104 of the Welfare and Institutions Code, in order to determine if the purchaser is a person described in Section 12021 or 12021.1 of this code or Section 8100 or 8103 of the Welfare and Institutions Code.

If the department determines that the purchaser is a person described in Section 12021 or 12021.1 of this code or Section 8100 or 8103 of the Welfare and Institutions Code, it shall immediately notify the dealer and the chief of the police department of the city or county in which the sale was made, or if the sale was made in a district in which there is no municipal police department, the sheriff of the county in which the sale was made, of that fact.

If the department determines that the copies of the register submitted to it pursuant to subdivision (b) contain any blank spaces or inaccurate, illegible, or incomplete information, preventing identification of the purchaser, or of the pistol, revolver, or other firearm to be purchased, transferred, or loaned, or if any fee required pursuant to subdivision (d) is not submitted by the dealer in conjunction with submission of copies of the register, the department may notify the dealer of that fact. Upon notification by the department, the dealer shall submit corrected copies of the register to the department, or shall submit any fee required pursuant to subdivision (d), or both, as appropriate and, if notification by the department is received by the dealer at any time prior to delivery of the firearm to be purchased or transferred, the dealer shall withhold delivery until the conclusion of the waiting period described in Sections 12071 and 12072.

(d) The Department of Justice may charge the dealer a fee sufficient to reimburse all of the following:

(1) (A) The department for the cost of furnishing this information.

(B) The department for the cost of meeting its obligations under paragraph (2) of subdivision (b) of Section 8100 of the Welfare and Institutions Code.

(2) Local mental health facilities for state-mandated local costs resulting from the reporting requirements imposed by the amendments to Section 8103 of the Welfare and Institutions Code, made by the act which also added this paragraph.

(3) The State Department of Mental Health for the costs resulting from the requirements imposed by the amendments to Section 8104 of the Welfare and Institutions Code made by the act which also added this paragraph.

(4) Local mental hospitals, sanitariums, and institutions for state-mandated local costs resulting from the reporting requirements imposed by Section 8105 of the Welfare and Institutions Code.

(5) Local law enforcement agencies for state-mandated local costs resulting from the notification requirements set forth in subdivision (a) of Section 6385 of the Family Code created by the act which also added this paragraph.

(6) Local law enforcement agencies for state-mandated local costs resulting from the notification requirements set forth in subdivision (c) of Section 8105 of the Welfare and Institutions Code.

The fee established pursuant to this subdivision shall not exceed the sum of the actual processing costs of the department, the estimated reasonable costs of the local mental health facilities for complying with the reporting requirements imposed by the act which added paragraph (2) to this subdivision, the costs of the State Department of Mental Health for complying with the requirements imposed by the act which added paragraph (3) to this subdivision, the estimated reasonable costs of local mental hospitals, sanitariums, and institutions for complying with the reporting requirements imposed by the act which added paragraph (4) to this subdivision, the estimated reasonable costs of local law enforcement agencies for complying with the notification requirements set forth in subdivision (a) of Section 6385 of the Family Code created by the act which added paragraph (5) to this subdivision, and the estimated reasonable costs of local law enforcement agencies for complying with the notification requirements set forth in subdivision (c) of Section 8105 of the Welfare and Institutions Code created by the act which added paragraph (6) to this subdivision.

(e) (1) The Department of Justice may charge a fee sufficient to reimburse it for each of the following:

(A) For the actual costs associated with the preparation, sale, processing, and filing of forms or reports required or utilized pursuant to Section 12078 if neither a dealer nor a law enforcement agency acting pursuant to Section 12084 is filing the form or report.

(B) For the actual processing costs associated with the submission of a Dealers' Record of Sale to the department by a dealer or of the submission of a LEFT to the department by a law enforcement agency acting pursuant to Section 12084 if the waiting period described in Sections 12071, 12072, and 12084 does not apply.

(C) For the actual costs associated with the preparation, sale, processing, and filing of reports utilized pursuant to subdivision (l) of Section 12078.

(2) If the department charges a fee pursuant to subparagraph (B) of paragraph (1) of this subdivision, it shall be charged in the same amount to all categories of transaction that are within that subparagraph.

(3) Any costs incurred by the Department of Justice to implement this subdivision shall be reimbursed from fees collected and charged pursuant to this subdivision. No fees shall be charged to the dealer pursuant to subdivision (d) or to a law enforcement agency acting pursuant to paragraph (6) of subdivision (d) of Section 12084 for costs incurred for implementing this subdivision.

(f) All money received by the department pursuant to this section shall be deposited in the Dealers' Record of Sale Special Account of the General Fund, which is hereby created, to be available, upon appropriation by the Legislature, for expenditure by the department

to offset the costs incurred pursuant to this section and Sections 12289 and 12809.

(g) (1) Only one fee shall be charged pursuant to this section for a single transaction on the same date for the sale or transfer of any number of firearms that are not pistols, revolvers, or other firearms capable of being concealed upon the person or for the taking of possession of those firearms.

(2) In a single transaction on the same date for the sale of any number of firearms that are pistols, revolvers, or other firearms capable of being concealed upon the person, the department shall charge a reduced fee pursuant to this section for the second and subsequent firearms that are part of that transaction.

(h) Only one fee shall be charged pursuant to this section for a single transaction on the same date for taking title or possession of any number of firearms pursuant to subdivision (i) of Section 12078.

(i) Whenever the Department of Justice acts pursuant to this section as it pertains to firearms other than pistols, revolvers, or other firearms capable of being concealed upon the person, the department's acts or omissions shall be deemed to be discretionary within the meaning of the California Tort Claims Act pursuant to Division 3.6 (commencing with Section 810) of Title 1 of the Government Code.

(j) As used in this section, the following definitions shall control:

(1) "Purchaser" means the purchaser or transferee of a firearm or the person being loaned a firearm.

(2) "Purchase" means the purchase, loan, or transfer of a firearm.

(3) "Sale" means the sale, loan, or transfer of a firearm.

SEC. 14. Section 12077 of the Penal Code is amended to read:

12077. (a) (1) The Department of Justice shall prescribe the form of the register described in Section 12074. There shall be two forms of the register with the format set forth in paragraph (2) of this subdivision for pistols, revolvers, and other firearms capable of being concealed upon the person and the format set forth in paragraph (3) of this subdivision for all firearms other than pistols, revolvers, or other firearms capable of being concealed upon the person.

(2) For pistols, revolvers, and other firearms capable of being concealed upon the person, information contained in the register shall be the date and time of sale, make of firearm, peace officer exemption status pursuant to subdivision (a) of Section 12078 and the agency name, dealer waiting period exemption pursuant to subdivision (n) of Section 12078, manufacturer's name if stamped on the firearm, model name or number, if stamped on the firearm, if applicable, serial number, other number (if more than one serial number is stamped on the firearm), caliber, type of firearm, if the firearm is new or used, barrel length, color of the firearm, full name of purchaser, purchaser's complete date of birth, purchaser's local address, if current address is temporary, complete permanent address of purchaser, identification of purchaser, purchaser's place of birth (state or country), purchaser's complete telephone number,

purchaser's occupation, purchaser's sex, purchaser's physical description, all legal names and aliases ever used by the purchaser, yes or no answer to questions that prohibit purchase including, but not limited to, conviction of a felony as described in Section 12021 or an offense described in Section 12021.1, the purchaser's status as a person described in Section 8100 of the Welfare and Institutions Code, whether the purchaser is a person who has been adjudicated by a court to be a danger to others or found not guilty by reason of insanity, whether the purchaser is a person who has been found incompetent to stand trial or placed under conservatorship by a court pursuant to Section 8103 of the Welfare and Institutions Code, signature of purchaser, signature of salesperson (as a witness to the purchaser's signature), name and complete address of the dealer or firm selling the firearm as shown on the dealer's license, the establishment number, if assigned, the dealer's complete business telephone number, any information required by Section 12082, and a statement that any person signing a fictitious name or address or knowingly furnishing any incorrect information or knowingly omitting any information required to be provided for the register is guilty of a misdemeanor.

(3) For firearms other than pistols, revolvers, or other firearms capable of being concealed upon the person, information contained in the register shall be the date and time of sale, peace officer exemption status pursuant to subdivision (a) of Section 12078 and the agency name, auction or event waiting period exemption pursuant to subdivision (g) of Section 12078, full name of purchaser, purchaser's complete date of birth, purchaser's local address, if current address is temporary, complete permanent address of purchaser, identification of purchaser, purchaser's place of birth (state or country), purchaser's complete telephone number, purchaser's occupation, purchaser's sex, purchaser's physical description, all legal names and aliases ever used by the purchaser, yes or no answer to questions that prohibit purchase, including, but not limited to, conviction of a felony as described in Section 12021 or an offense described in Section 12021.1, the purchaser's status as a person described in Section 8100 of the Welfare and Institutions Code, whether the purchaser is a person who has been adjudicated by a court to be a danger to others or found not guilty by reason of insanity, whether the purchaser is a person who has been found incompetent to stand trial or placed under conservatorship by a court pursuant to Section 8103 of the Welfare and Institutions Code, signature of purchaser, signature of salesperson (as a witness to the purchaser's signature), name and complete address of the dealer or firm selling the firearm as shown on the dealer's license, the establishment number, if assigned, the dealer's complete business telephone number, any information required by Section 12082, and a statement that any person signing a fictitious name or address or knowingly furnishing any incorrect information or knowingly omitting any information required to be provided for the register is

guilty of a misdemeanor.

(b) (1) The original of each dealer's record of sale of a firearm document shall be retained by the dealer in consecutive order. Each book of 50 originals shall become the permanent register of transactions that shall be retained for not less than three years from the date of last transaction and shall be provided for the inspection of any peace officer, Department of Justice employee designated by the Attorney General or agents of the federal Bureau of Alcohol, Tobacco, and Firearms upon the presentation of proper identification.

(2) Dealers shall use ink to complete each document.

(3) The dealer or salesperson making a sale shall ensure that all information is provided legibly. The dealer and salespersons shall be informed that incomplete or illegible information will delay sales.

(4) Each original shall contain instructions regarding the procedure for completion of the form and routing of the form. Dealers shall comply with these instructions which shall include the information set forth in this subdivision.

(5) One firearm transaction shall be reported on each record of sale document. For purposes of this subdivision, a "transaction" means a single sale, loan, or transfer of any number of firearms that are not pistols, revolvers, or other firearms capable of being concealed upon the person.

(c) As used in this section, the following definitions shall control:

(1) "Purchaser" means the purchaser or transferee of a firearm or the person being loaned a firearm.

(2) "Purchase" means the purchase, loan, or transfer of a firearm.

SEC. 15. Section 12078 of the Penal Code is amended to read:

12078. (a) (1) The preceding provisions of this article, except subdivision (e) of Section 12076, do not apply to deliveries, transfers, or sales of firearms made to persons properly identified as full-time paid peace officers as defined in Chapter 4.5 (commencing with Section 830) of Title 3 of Part 2, provided that the peace officers are authorized by their employer to carry firearms while in the performance of their duties, nor to deliveries, transfers, or sales of firearms made to authorized representatives of cities, cities and counties, counties, state or federal governments for use by those governmental agencies. Proper identification is defined as verifiable written certification from the head of the agency by which the purchaser or transferee is employed, identifying the purchaser or transferee as a peace officer who is authorized to carry firearms while in the performance of his or her duties, and authorizing the purchase or transfer. The certification shall be delivered to the seller or transferor at the time of purchase or transfer and the purchaser or transferee shall identify himself or herself as the person authorized in the certification. On the day the sale, delivery, or transfer is made, where a peace officer is receiving the firearm, and either a dealer is not the seller or transferor, or is not otherwise the person responsible for the delivery of the firearm, or the transfer or sale is not conducted

through a law enforcement agency pursuant to Section 12084, the peace officer shall forward by prepaid mail to the Department of Justice a report of the same and the type of information concerning the seller or transferor, the buyer or transferee, the firearm as is indicated in Section 12077, together with the original certification. On the day the sale, delivery, or transfer is made, where a dealer is the seller, transferor, or otherwise responsible for delivery of the firearm, the dealer shall forward by prepaid mail to the Department of Justice a report of the same and the type of information concerning the buyer or transferee and the firearm as is indicated in Section 12077, together with the original certification. On the day the sale, delivery, or transfer is made, where the transfer is conducted pursuant to Section 12084, the law enforcement agency shall forward by prepaid mail to the Department of Justice a report of the same and the type of information concerning the buyer or transferee and the firearm as is indicated in Section 12084, together with the original certification. The reports which peace officers shall complete shall be provided to them by the department. No report need be submitted to the Department of Justice where a peace officer receiving the firearm received it from his or her employer in accordance with the applicable rules, regulations, or procedures of the employer.

(2) The preceding provisions of this article, except subdivision (e) of Section 12076, do not apply to deliveries, transfers, or sales of firearms made to peace officers as defined in Chapter 4.5 (commencing with Section 830) of Title 3 of Part 2 made pursuant to Section 10334 of the Public Contracts Code. On the day the sale, delivery, or transfer is made, and a dealer is not the person responsible for the delivery of the firearm or the transfer or sale is not conducted through a law enforcement agency pursuant to Section 12084, the peace officer receiving the firearm shall forward by prepaid mail to the Department of Justice a report of the same and the type of information concerning the seller or transferor, the buyer or transferee, and the firearm as is indicated in Section 12077. On the day the sale, delivery, or transfer is made where a dealer is responsible for delivery of the firearm, the dealer shall forward by prepaid mail to the Department of Justice a report of the same and the type of information concerning the buyer or transferee and the firearm as is indicated in Section 12077. On the day the sale, delivery, or transfer is made where the transfer is conducted pursuant to Section 12084, the law enforcement agency shall forward by prepaid mail to the Department of Justice a report of the same and the type of information concerning the buyer or transferee and the firearm as is indicated in Section 12084. The reports which peace officers shall complete shall be the same as those set forth in paragraph (1) of this subdivision and shall be provided to them by the department.

(3) Subdivision (d) of Section 12072 does not apply to sales, deliveries, or transfers of firearms to authorized representatives of cities, cities and counties, counties, or state or federal governments for those governmental agencies where the entity is acquiring the

weapon as part of an authorized, voluntary program where the entity is buying or receiving weapons from private individuals. Any weapons acquired pursuant to this subdivision shall be disposed of pursuant to the applicable provisions of Section 12028 or 12032.

(b) Section 12071 and subdivisions (c) and (d) of Section 12072 shall not apply to deliveries, sales, or transfers of firearms between or to importers and manufacturers of firearms licensed to engage in that business pursuant to Chapter 44 (commencing with Section 921) of Title 18 of the United States Code and the regulations issued pursuant thereto.

(c) (1) Subdivision (d) of Section 12072 shall not apply to the infrequent transfer of firearms by gift, bequest, intestate succession, or other means by one individual to another if both individuals are members of the same immediate family.

(2) As used in this subdivision, immediate family member means any one of the following relationships:

(A) Parent and child.

(B) Grandparent and grandchild.

(d) Subdivision (d) of Section 12072 shall not apply to the infrequent loan of firearms between persons who are personally known to each other for any lawful purpose, if the loan does not exceed 30 days in duration.

(e) Section 12071 and subdivisions (c) and (d) of Section 12072 shall not apply to the delivery of a firearm to a gunsmith for service or repair.

(f) Subdivision (d) of Section 12072 shall not apply to the sale, delivery, or transfer of firearms by persons who reside in this state to persons who reside outside this state who are licensed pursuant to Chapter 44 (commencing with Section 921) of Title 18 of the United States Code and the regulations issued pursuant thereto, if the sale, delivery, or transfer is in accordance with Chapter 44 (commencing with Section 921) of Title 18 of the United States Code and the regulations issued pursuant thereto.

(g) (1) Subdivision (d) of Section 12072 shall not apply to the infrequent sale or transfer of a firearm, other than a pistol, revolver, or other firearm capable of being concealed upon the person, at auctions or similar events conducted by nonprofit mutual or public benefit corporations organized pursuant to the Corporations Code.

As used in this paragraph, the term "infrequent" shall not be construed to prohibit different local chapters of the same nonprofit corporation from conducting auctions or similar events, provided the individual local chapter conducts the auctions or similar events infrequently. It is the intent of the Legislature that different local chapters, representing different localities, be entitled to invoke the exemption created by this paragraph, notwithstanding the frequency with which other chapters of the same nonprofit corporation may conduct auctions of similar events.

(2) Subdivision (d) of Section 12072 shall not apply to the transfer of a firearm other than a pistol, revolver, or other firearm capable of

being concealed upon the person, if the firearm is donated for an auction or similar event described in paragraph (1) and the firearm is delivered to the nonprofit corporation immediately preceding, or contemporaneous with, the auction or similar event.

(3) The waiting period described in Sections 12071 and 12072 shall not apply to a dealer who delivers a firearm other than a pistol, revolver, or other firearm capable of being concealed upon the person, at an auction or similar event described in paragraph (1), as authorized by subparagraph (C) of paragraph (1) of subdivision (b) of Section 12071. Within 48 hours of the sale, delivery, or transfer, the dealer shall forward by prepaid mail to the Department of Justice a report of the same as is indicated in paragraph (3) of subdivision (a) of Section 12077.

(h) Subdivision (d) of Section 12072 shall not apply to the loan of a firearm for the purposes of shooting at targets if the loan occurs on the premises of a target facility which holds a business or regulatory license or on the premises of any club or organization organized for the purposes of practicing shooting at targets upon established ranges, whether public or private, if the firearm is at all times kept within the premises of the target range or on the premises of the club or organization.

(i) (1) Subdivision (d) of Section 12072 shall not apply to a person who takes title or possession of firearms by operation of law if all the following conditions are met:

(A) The person is not prohibited by Section 12021 or 12021.1 of this code or Section 8100 or 8103 of the Welfare and Institutions Code from possessing firearms.

(B) If the firearms are pistols, revolvers, or other firearms capable of being concealed upon the person, and the person is not a levying officer as defined in Section 481.140, 511.060, or 680.210 of the Code of Civil Procedure, the person shall, within 30 days of taking possession, forward by prepaid mail to the Department of Justice, a report of the same and the type of information concerning the individual taking possession of the firearm, how title or possession was obtained and from whom, and a description of the firearm in question. The reports which individuals complete pursuant to this paragraph shall be provided to them by the Department of Justice.

(C) In the case of a transmutation of property between spouses made in accordance with Section 850 of the Family Code consisting of a pistol, revolver, or other firearm capable of being concealed upon the person, taking place on or after April 1, 1994, a basic firearm safety certificate shall be required.

(2) Subdivision (d) of Section 12072 shall not apply to a person who takes possession of a firearm by operation of law in a representative capacity who transfers ownership of the firearm to himself or herself in his or her individual capacity. In the case of a pistol, revolver, or other firearm capable of being concealed upon the person, on and after April 1, 1994, that individual shall have a basic firearm safety certificate in order for the exemption set forth

in this paragraph to apply.

(j) Subdivision (d) of Section 12072 shall not apply to deliveries, transfers, or returns of firearms made pursuant to Section 12028, 12028.5, or 12030.

(k) Section 12071 and subdivision (c) of Section 12072 shall not apply to:

(1) The delivery, sale, or transfer of unloaded firearms that are not pistols, revolvers, or other firearms capable of being concealed upon the person by a dealer to another dealer upon proof that the person receiving the firearm is licensed pursuant to Section 12071.

(2) The delivery, sale, or transfer of unloaded firearms by dealers to persons who reside outside this state who are licensed pursuant to Chapter 44 (commencing with Section 921) of Title 18 of the United States Code and the regulations issued pursuant thereto.

(3) The delivery, sale, or transfer of unloaded firearms to a wholesaler if the firearms are being returned to the wholesaler and are intended as merchandise in the wholesaler's business.

(4) The delivery, sale, or transfer of unloaded firearms by one dealer to another dealer if the firearms are intended as merchandise in the receiving dealer's business upon proof that the person receiving the firearm is licensed pursuant to Section 12071.

(5) The delivery, sale, or transfer of an unloaded firearm that is not a pistol, revolver, or other firearm capable of being concealed upon the person by a dealer to himself or herself.

(6) The loan of an unloaded firearm by a dealer who also operates a target facility which holds a business or regulatory license on the premises of the building designated in the license or whose building designated in the license is on the premises of any club or organization organized for the purposes of practicing shooting at targets upon established ranges, whether public or private, to a person at that target facility or that club or organization, if the firearm is at all times kept within the premises of the target range or on the premises of the club or organization.

(l) A person who is exempt from subdivision (d) of Section 12072 or is otherwise not required by law to report his or her acquisition, ownership, or disposal of a pistol, revolver, or other firearm capable of being concealed upon the person or who moves out of this state with his or her pistol, revolver, or other firearm capable of being concealed upon the person may submit a report of the same to the Department of Justice in a format prescribed by the department.

(m) Subdivision (d) of Section 12072 shall not apply to the delivery, sale, or transfer of unloaded firearms to a wholesaler as merchandise in the wholesaler's business by manufacturers or importers licensed to engage in that business pursuant to Chapter 44 (commencing with Section 921) of Title 18 of the United States Code and the regulations issued pursuant thereto, or by another wholesaler, if the delivery, sale, or transfer is made in accordance with Chapter 44 (commencing with Section 921) of Title 18 of the United States Code.

(n) (1) The waiting period described in Section 12071 or 12072 shall not apply to the delivery, sale, or transfer of a pistol, revolver, or other firearm capable of being concealed upon the person by a dealer in either of the following situations:

(A) The dealer is delivering the firearm to another dealer and it is not intended as merchandise in the receiving dealer's business.

(B) The dealer is delivering the firearm to himself or herself and it is not intended as merchandise in his or her business.

(2) In order for this subdivision to apply, both of the following shall occur:

(A) If the dealer is receiving the firearm from another dealer, the dealer receiving the firearm shall present proof to the dealer delivering the firearm that he or she is licensed pursuant to Section 12071.

(B) Whether the dealer is delivering, selling, or transferring the firearm to himself or herself or to another dealer, on the date that the delivery, sale, or transfer is made, the dealer delivering the firearm shall forward by prepaid mail to the Department of Justice a report of the same and the type of information concerning the purchaser or transferee as is indicated in paragraph (2) of subdivision (a) of Section 12077.

(c) Section 12071 and subdivisions (c) and (d) of Section 12072 shall not apply to the delivery, sale, or transfer of firearms regulated pursuant to Section 12020, Chapter 2 (commencing with Section 12200), or Chapter 2.3 (commencing with Section 12275), if the delivery, sale, or transfer is conducted in accordance with the applicable provisions of Section 12020, Chapter 2 (commencing with Section 12200), or Chapter 2.3 (commencing with Section 12275).

(p) (1) Subdivision (d) and paragraph (3) of subdivision (a) of Section 12072 shall not apply to the loan of a firearm that is not a pistol, revolver, or other firearm capable of being concealed upon the person to a minor, with the express permission of the parent or legal guardian of the minor, if the loan does not exceed 30 days in duration.

(2) Subdivision (d) and paragraph (3) of subdivision (a) of Section 12072 shall not apply to the loan of a pistol, revolver, or other firearm capable of being concealed upon the person to a minor by a person who is not the parent or legal guardian of the minor if all of the following circumstances exist:

(A) The minor has the written consent of his or her parent or legal guardian that is presented at the time of, or prior to the time of, the loan, or is accompanied by his or her parent or legal guardian at the time the loan is made.

(B) The minor is being loaned the firearm for the purpose of engaging in a lawful, recreational sport, including, but not limited to, competitive shooting, or agricultural, ranching, or hunting activity, the nature of which involves the use of a firearm.

(C) The duration of the loan does not exceed the amount of time that is reasonably necessary to engage in the lawful, recreational

sport, including, but not limited to, competitive shooting, or agricultural, ranching, or hunting activity.

(D) The duration of the loan does not, in any event, exceed 10 days.

(3) Subdivision (d) and paragraph (3) of subdivision (a) of Section 12072 shall not apply to the loan of a pistol, revolver, or other firearm capable of being concealed upon the person to a minor by his or her parent or legal guardian if both of the following circumstances exist:

(A) The minor is being loaned the firearm for the purposes of engaging in a lawful, recreational sport, including, but not limited to, competitive shooting, or agricultural, ranching, or hunting activity, the nature of which involves the use of a firearm.

(B) The duration of the loan does not exceed the amount of time that is reasonably necessary to engage in the lawful, recreational sport, including, but not limited to, competitive shooting, or agricultural, ranching, or hunting activity.

(4) Paragraph (3) of subdivision (a) of Section 12072 shall not apply to the transfer or loan of a firearm that is not a pistol, revolver, or other firearm capable of being concealed upon the person to a minor by his or her parent or legal guardian.

(5) Paragraph (3) of subdivision (a) of Section 12072 shall not apply to the transfer or loan of a firearm that is not a pistol, revolver, or other firearm capable of being concealed upon the person to a minor by his or her grandparent or legal guardian if the transfer is done with the express permission of the parent or legal guardian of the minor.

(q) Subdivision (d) of Section 12072 shall not apply to the loan of a firearm that is not a pistol, revolver, or other firearm capable of being concealed upon the person to a licensed hunter for use by that licensed hunter for a period of time not to exceed the duration of the hunting season for which that firearm is to be used.

(r) As used in this section:

(1) "Infrequent" has the same meaning as in paragraph (1) of subdivision (c) of Section 12070.

(2) "A person taking title or possession of firearms by operation of law" includes, but is not limited to, any of the following instances wherein an individual receives title to, or possession of, firearms:

(A) The executor or administrator of an estate if the estate includes firearms.

(B) A secured creditor or an agent or employee thereof when the firearms are possessed as collateral for, or as a result of, a default under a security agreement under the Commercial Code.

(C) A levying officer, as defined in Section 481.140, 511.060, or 680.260 of the Code of Civil Procedure.

(D) A receiver performing his or her functions as a receiver if the receivership estate includes firearms.

(E) A trustee in bankruptcy performing his or her duties if the bankruptcy estate includes firearms.

(F) An assignee for the benefit of creditors performing his or her functions as an assignee, if the assignment includes firearms.

(G) A transmutation of property consisting of firearms pursuant to Section 850 of the Family Code.

(H) Firearms passing to a surviving spouse pursuant to Chapter 1 (commencing with Section 13500) of Part 2 of Division 8 of the Probate Code.

SEC. 16. Section 12082 of the Penal Code is amended to read:

12082. A person shall complete any sale, loan, or transfer of a firearm through a person licensed pursuant to Section 12071 in accordance with this section in order to comply with subdivision (d) of Section 12072. The Attorney General shall adopt regulations under this section to allow the seller or transferor or the person loaning the firearm and the purchaser or transferee or the person being loaned the firearm to complete a sale, loan, or transfer through a dealer, and to allow those persons and the dealer to comply with the requirements of this section and of Sections 12071, 12072, 12076, and 12077 and to preserve the confidentiality of records. The register shall state the name and address of the seller or transferor of the firearm or the person loaning the firearm in addition to any other information required by Section 12077. The seller or transferor or the person loaning the firearm shall deliver the firearm to the dealer who shall retain possession of that firearm. The dealer shall then deliver the firearm to the purchaser or transferee or the person being loaned the firearm, if it is not prohibited, in accordance with subdivision (c) of Section 12072. If the dealer cannot legally deliver the firearm to the purchaser or transferee or the person being loaned the firearm, the dealer shall forthwith, without waiting for the conclusion of the waiting period described in Sections 12071 and 12072, return the firearm to the transferor or seller or the person loaning the firearm. The dealer shall not return the firearm to the seller or transferor or the person loaning the firearm when to do so would constitute a violation of subdivision (a) of Section 12072. If the dealer cannot legally return the firearm to the transferor or seller or the person loaning the firearm, then the dealer shall forthwith deliver the firearm to the sheriff of the county or the chief of police or other head of a municipal police department of any city or city and county who shall then dispose of the firearm in the manner provided by Sections 12028 and 12032. The purchaser or transferee or person being loaned the firearm may be required by the dealer to pay a fee not to exceed ten dollars (\$10) per firearm, plus the applicable fee that the Department of Justice may charge pursuant to Section 12076. Nothing in these provisions shall prevent a dealer from charging a smaller fee. The fee that the department may charge is the fee that would be applicable pursuant to Section 12076, if the dealer was selling, transferring, or delivering a firearm to a purchaser or transferee or person being loaned a firearm, without any other parties being involved in the transaction.

A violation of this section by a dealer is a misdemeanor.

SEC. 17. Section 12084 of the Penal Code is amended to read:

12084. (a) As used in this section, the following definitions shall control:

(1) "Agency" means a sheriff's department in a county of less than 200,000 persons, according to the most recent federal decennial census which elects to process purchases, sales, or transfers of firearms.

(2) "Seller" means the seller or transferor of a firearm or the person loaning the firearm.

(3) "Purchaser" means the purchaser or transferee of a firearm or the person being loaned a firearm.

(4) "Purchase" means the purchase, loan, sale, or transfer of a firearm.

(5) "Department" means the Department of Justice.

(6) "LEFT" means the Law Enforcement Firearms Transfer Form consisting of the transfer form utilized to purchase a firearm in accordance with this section.

(b) As an alternative to completing the sale, transfer, or loan of a firearm through a licensed dealer pursuant to Section 12082 in order to comply with the provisions of subdivision (d) of Section 12072, the parties to the purchase of a firearm may complete the transaction through an agency in accordance with this section in order to comply with the provisions of subdivision (d) of Section 12072.

(c) (1) LEFTs shall be prepared by the State Printer and shall be furnished to agencies on application at a cost to be determined by the Department of General Services for each 100 leaves in quintuplicate, one original and four duplicates for the making of carbon copies. The original and duplicate copies shall differ in color, and shall be in the form provided by this section. The State Printer, upon issuing the LEFT, shall forward to the department the name and address of the agency together with the series and sheet numbers on the LEFT. The LEFT shall not be transferable.

(2) The department shall prescribe the form of the LEFT. It shall be in the same exact format set forth in Sections 12077 and 12082, with the same distinct formats for firearms that are pistols, revolvers, and other firearms capable of being concealed upon the person and for firearms that are not pistols, revolvers, and other firearms capable of being concealed upon the person, except that instead of the listing of information concerning a dealer, the LEFT shall contain the name, telephone number, and address of the law enforcement agency.

(3) The original of each LEFT shall be retained in consecutive order. Each book of 50 originals shall become the permanent record of transactions that shall be retained not less than three years from the date of the last transaction and shall be provided for the inspection of any peace officer, department employee designated by the Attorney General, or agents of the federal Bureau of Alcohol, Tobacco and Firearms upon the presentation of proper identification.

(4) Ink shall be used to complete each LEFT. The agency shall ensure that all information is provided legibly. The purchaser and seller shall be informed that incomplete or illegible information delays purchases.

(5) Each original LEFT shall contain instructions regarding the procedure for completion of the form and the routing of the form. The agency shall comply with these instructions which shall include the information set forth in this subdivision.

(6) One firearm transaction shall be reported on each LEFT. For purposes of this paragraph, a "transaction" means a single sale, loan, or transfer of any number of firearms that are not pistols, revolvers, or other firearms capable of being concealed upon the person between the same two persons.

(d) The following procedures shall be followed in processing the purchase:

(1) Without waiting for the conclusion of any waiting period to elapse, the seller shall immediately deliver the firearm to the agency solely to complete the LEFT. Upon completion of the LEFT, the firearm shall be immediately returned by the agency to the seller without waiting for the waiting period to elapse.

(2) The purchaser shall be required to present clear evidence of his or her identity and age, as defined in Section 12071, to the agency. The agency shall require the purchaser to complete the original and one copy of the LEFT. An employee of the agency shall then affix his or her signature as a witness to the signature and identification of the purchaser.

(3) Two copies of the LEFT shall, on that date of purchase, be placed in the mail, postage prepaid to the department at Sacramento. The third copy shall be provided to the purchaser and the fourth copy to the seller.

(4) The department shall examine its records, as well as those records that it is authorized to request from the State Department of Mental Health pursuant to Section 8104 of the Welfare and Institutions Code, in order to determine if the purchaser is a person described in Section 12021 or 12021.1 of this code or Section 8100 or 8103 of the Welfare and Institutions Code.

(5) If the department determines that the copies of the LEFT submitted to it pursuant to paragraph (3) contain any blank spaces or inaccurate, illegible, or incomplete information, preventing identification of the purchaser or the firearm to be purchased, or if any fee required pursuant to paragraph (6) is not submitted by the agency in conjunction with submission of the copies of the LEFT, or if the department determines that the person is a person described in Section 12021 or 12021.1 of this code or Section 8100 or 8103 of the Welfare and Institutions Code, it shall immediately notify the agency of that fact. Upon notification by the department, the purchaser shall submit any fee required pursuant to paragraph (6), as appropriate, and if notification by the department is received by the agency at any time prior to delivery of the firearm, the delivery of the firearm shall

be withheld until the conclusion of the waiting period described in paragraph (7).

(6) The department and the agency may both charge a fee not to exceed the actual cost of processing the purchaser sufficient to reimburse both of the following:

(A) The agency for processing the transfer.

(B) The department for providing the information. The department shall charge the same fee as it would charge a dealer pursuant to Section 12082.

(7) The firearm shall not be delivered to the purchaser as follows:

(A) Prior to January 1, 1996, within 15 days of application for the purchase or, after notice by the department pursuant to paragraph (5), within 15 days of the submission to the department of any fees required pursuant to this subdivision, or within 15 days of a corrected LEFT, whichever is later. On or after January 1, 1996, within 15 days of the application for the purchase of a pistol, revolver, or other firearm capable of being concealed upon the person, or after notice by the department pursuant to paragraph (5), within 15 days of the submission to the department of any fees required pursuant to this subdivision, or within 15 days of the submission to the department of corrected copies of the LEFT, whichever is later. On or after January 1, 1996, within 10 days of the application for purchase of a firearm other than a pistol, revolver, or other firearm capable of being concealed upon the person, or after notice by the department pursuant to paragraph (5), or within 10 days of submission to the department of any fees required pursuant to this subdivision, or within 10 days of the submission to the department of corrected copies of the LEFT, whichever is later.

(B) Unless unloaded.

(C) In the case of a pistol, revolver, or other firearm capable of being concealed upon the person, unless securely wrapped or in a locked container.

(D) Unless the purchaser presents clear evidence of his or her identity and age to the agency.

(E) Whenever the agency is notified by the department that the person is in a prohibited class described in Section 12021 or 12021.1 or Section 8100 or 8103 of the Welfare and Institutions Code.

(F) Unless done at the agency's premises.

(G) In the case of a pistol, revolver, or other firearm capable of being concealed upon the person, commencing April 1, 1994, unless the purchaser presents to the seller a basic firearm safety certificate.

(H) Unless the purchaser is at least 18 years of age.

(e) The action of a law enforcement agency acting pursuant to Section 12084 shall be deemed to be a discretionary act within the meaning of the California Tort Claims Act pursuant to Division 3.6 (commencing with Section 810) of Title 1 of the Government Code.

(f) Whenever the Department of Justice acts pursuant to this section as it pertains to firearms other than pistols, revolvers, or other firearms capable of being concealed upon the person, its acts or

omissions shall be deemed to be discretionary within the meaning of the California Tort Claims Act pursuant to Division 3.6 (commencing with Section 810) of Title 1 of the Government Code.

(g) Any person furnishing a fictitious name or address or knowingly furnishing any incorrect information or knowingly omitting any information required to be provided for the LEFT is guilty of a misdemeanor.

(h) All sums received by the department pursuant to this section shall be deposited in the Dealers' Record of Sale Special Account of the General Fund.

SEC. 18. Section 12100 of the Penal Code is repealed.

SEC. 19. Section 12101 of the Penal Code is amended to read:

12101. (a) (1) A minor shall not possess a pistol, revolver, or other firearm capable of being concealed upon the person.

(2) Paragraph (1) shall not apply if one of the following circumstances exists:

(A) The minor is accompanied by his or her parent or legal guardian, and the minor is actively engaged in, or is in direct transit to or from, a lawful recreational, sport, including, but not limited to, competitive shooting, or agricultural, ranching, or hunting activity, the nature of which involves the use of a firearm.

(B) The minor is accompanied by a responsible adult, the minor has the prior written consent of his or her parent or legal guardian, and the minor is actively engaged in, or is in direct transit to or from, a lawful recreational, sport, including, but not limited to, competitive shooting, or agricultural, ranching, or hunting activity, the nature of which involves the use of a firearm.

(C) The minor is at least 16 years of age, the minor has the prior written consent of his or her parent or legal guardian, and the minor is actively engaged in, or is in direct transit to or from, a lawful recreational, sport, including, but not limited to, competitive shooting, or agricultural, ranching, or hunting activity, the nature of which involves the use of a firearm.

(D) The minor has the prior written consent of his or her parent or legal guardian, the minor is on lands owned or lawfully possessed by his or her parent or legal guardian, and the minor is actively engaged in, or is in direct transit to or from, a lawful recreational, sport, including, but not limited to, competitive shooting, or agricultural, ranching, or hunting activity, the nature of which involves the use of a firearm.

(b) (1) A minor shall not possess live ammunition.

(2) Paragraph (1) shall not apply if one of the following circumstances exists:

(A) The minor has the written consent of his or her parent or legal guardian to possess live ammunition.

(B) The minor is accompanied by his or her parent or legal guardian.

(C) The minor is actively engaged in, or is going to or from, a lawful recreational, sport, including, but not limited to, competitive

shooting, or agricultural, ranching, or hunting activity, the nature of which involves the use of a firearm.

(c) (1) Violations of this section shall be punishable by imprisonment in the state prison, or in a county jail not exceeding one year, if one of the following applies:

(A) The person has been convicted previously of violating this section.

(B) The person has been convicted previously of violating an offense specified in Section 12020, subdivision (b) of Section 12020.1, or Section 12020, 12220, 12520, or 12560.

(2) Violations of this section other than those violations specified in paragraph (1) shall be punishable as a misdemeanor.

(d) As used in this section, "responsible adult" means a person at least 21 years of age who is not within a class of persons prohibited from owning or possessing firearms by virtue of Section 12021 or 12021.1 of this code, or Section 8100 or 8103 of the Welfare and Institutions Code.

SEC. 20. Section 12285 of the Penal Code is amended to read:

12285. (a) Any person who lawfully possesses an assault weapon, as defined in Section 12276, prior to June 1, 1989, shall register the firearm by January 1, 1991, and any person who lawfully possessed an assault weapon prior to the date it was specified as an assault weapon pursuant to Section 12276.5 shall register the firearm within 90 days, with the Department of Justice pursuant to those procedures that the department may establish. The registration shall contain a description of the firearm that identifies it uniquely, including all identification marks, the full name, address, date of birth, and thumbprint of the owner, and any other information that the department may deem appropriate. The department may charge a fee for registration of up to twenty dollars (\$20) per person but not to exceed the actual processing costs of the department. After the department establishes fees sufficient to reimburse the department for processing costs, fees charged shall increase at a rate not to exceed the legislatively approved annual cost-of-living adjustment for the department's budget or as otherwise increased through the Budget Act.

(b) (1) Except as provided in paragraph (2), no assault weapon possessed pursuant to this section may be sold or transferred on or after January 1, 1990, to anyone within this state other than to a licensed gun dealer, as defined in subdivision (c) of Section 12290, or as provided in Section 12288. Any person who (A) obtains title to an assault weapon registered under this section by bequest or intestate succession, or (B) lawfully possessed a firearm subsequently declared to be an assault weapon pursuant to Section 12276.5, shall, within 90 days, render the weapon permanently inoperable, sell the weapon to a licensed gun dealer, obtain a permit from the Department of Justice in the same manner as specified in Article 3 (commencing with Section 12230) of Chapter 2, or remove the weapon from this state. A person who lawfully possessed a firearm that was

subsequently declared to be an assault weapon pursuant to Section 12276.5 may alternatively register the firearm within 90 days of the declaration issued pursuant to subdivision (f) of Section 12276.5.

(2) A person moving into this state, otherwise in lawful possession of an assault weapon, shall do one of the following:

(A) Prior to bringing the assault weapon into this state, that person shall first obtain a permit from the Department of Justice in the same manner as specified in Article 3 (commencing with Section 12230) of Chapter 2.

(B) The person shall cause the assault weapon to be delivered to a licensed gun dealer, as defined in subdivision (c) of Section 12290, in this state in accordance with Chapter 44 (commencing with Section 921) of Title 18 of the United States Code and the regulations issued pursuant thereto. If the person obtains a permit from the Department of Justice in the same manner as specified in Article 3 (commencing with Section 12230) of Chapter 2, the dealer shall redeliver that assault weapon to the person. If the licensed gun dealer, as defined in subdivision (c) of Section 12290, is prohibited from delivering the assault weapon to a person pursuant to this paragraph, the dealer shall possess or dispose of the assault weapon as allowed by this chapter.

(c) A person who has registered an assault weapon under this section may possess it only under any of the following conditions unless a permit allowing additional uses is first obtained under Section 12286:

(1) At that person's residence, place of business, or other property owned by that person, or on property owned by another with the owner's express permission.

(2) While on the premises of a target range of a public or private club or organization organized for the purpose of practicing shooting at targets.

(3) While on a target range that holds a regulatory or business license for the purpose of practicing shooting at that target range.

(4) While on the premises of a shooting club which is licensed pursuant to the Fish and Game Code.

(5) While attending any exhibition, display, or educational project which is about firearms and which is sponsored by, conducted under the auspices of, or approved by a law enforcement agency or a nationally or state recognized entity that fosters proficiency in, or promotes education about, firearms.

(6) While on publicly owned land if the possession and use of a firearm described in Section 12276 is specifically permitted by the managing agency of the land.

(7) While transporting the assault weapon between any of the places mentioned in this subdivision, or to any licensed gun dealer, as defined in subdivision (c) of Section 12290, for servicing or repair pursuant to subdivision (b) of Section 12290, if the assault weapon is transported as required by Section 12026.1.

(d) No person who is under the age of 18 years, no person who is

prohibited from possessing a firearm by Section 12021 or 12021.1, and no person described in Section 8100 or 8103 of the Welfare and Institutions Code may register or possess an assault weapon.

(e) The department's registration procedures shall provide the option of joint registration for assault weapons owned by family members residing in the same household.

(f) For 90 days following January 1, 1992, a forgiveness period shall exist to allow persons specified in subdivision (b) of Section 12280 to register with the Department of Justice assault weapons that they lawfully possessed prior to June 1, 1989.

(g) Any person who registers his or her assault weapon during the 90-day forgiveness period described in subdivision (f), and any person whose registration form was received by the Department of Justice after January 1, 1991, and who was issued a temporary registration prior to the end of the forgiveness period, shall not be charged with a violation of subdivision (b) of Section 12280, if law enforcement becomes aware of that violation only as a result of the registration of the assault weapon. This subdivision shall have no effect upon persons charged with a violation of subdivision (b) of Section 12280 of the Penal Code prior to January 1, 1992, provided that law enforcement was aware of the violation before the weapon was registered.

SEC. 21. Section 12551 of the Penal Code is amended to read:

12551. Every person who sells to a minor any BB device is guilty of a misdemeanor.

SEC. 22. Section 12552 of the Penal Code is amended to read:

12552. (a) Every person who furnishes any air gun or gas-operated gun designed to fire a bullet, pellet, or metal projectile, to any minor, without the express or implied permission of the parent or legal guardian of the minor, is guilty of a misdemeanor.

(b) As used in this section, "furnishes" means any of the following:

(1) A loan.

(2) A transfer that does not involve a sale.

SEC. 23. Section 12553 of the Penal Code is repealed.

SEC. 24. Section 12800 of the Penal Code is amended to read:

12800. (a) The Legislature finds and declares as follows:

(1) Although California has a 15-day waiting period and background check for the acquisition, loan, and purchase of pistols, revolvers, and firearms capable of being concealed upon the person, a demonstrated knowledge of firearms safety is not required. Therefore, a person is able to obtain one of these firearms in California without having any idea of how to safely use, handle, or store it.

(2) In contrast, it is necessary for an individual to complete a firearms-related hunter safety course before a hunting license is issued. It has been documented that this program has saved lives, and has been beneficial to sportsmen and firearms owners.

(3) It is inconsistent for a person to have to go through a firearms-related hunter safety course before being able to use a

firearm to hunt, yet not be required to have any basic knowledge about the safe handling and operation of pistols, revolvers, and other firearms capable of being concealed upon the person before acquiring or being loaned them.

(b) The Legislature further finds and declares as follows:

(1) It has been documented that firearms accidents are one of the leading causes of accidental deaths for children ages 14 years and under. Almost all of the firearms involved in these accidents are pistols, revolvers, or other firearms capable of being concealed upon the person.

(2) On average, one child 18 years of age or under is accidentally killed, and 10 are injured, by a firearm every day across the United States.

(3) Firearm wounds to children who are 16 years of age and under have increased 300 percent in major urban areas since 1986.

(4) In 1987, the last year for which statistics are available, there were 44 accidental firearms deaths among California children 18 years of age and younger.

(5) Although statistics are not kept for injuries resulting from accidental shootings, it is estimated that for every firearms death, there are at least five nonfatal firearms injuries. Using this figure, it is estimated that approximately 220 California children were injured in nonfatal accidental shootings in 1987.

(6) Research has indicated that easy access in homes to loaded pistols, revolvers, and other firearms capable of being concealed upon the person is a chief contributing factor in unintentional shootings of children. Nearly 8,700,000 youngsters in the United States have access to pistols, revolvers, and other firearms capable of being concealed upon the person.

(7) Educating purchasers and transferees of pistols, revolvers, and other firearms capable of being concealed upon the person, and persons who are loaned pistols, revolvers, or other firearms capable of being concealed upon the person pursuant to Section 12071, 12072, or 12084, would make them more aware of their responsibilities as gun owners and would help to eliminate the ignorance or neglect that leads to children playing with loaded pistols, revolvers, and other firearms capable of being concealed upon the person.

(c) It is, therefore, the intent of the Legislature, in enacting this article, to require in this state that purchasers and transferees of pistols, revolvers, and other firearms capable of being concealed upon the person, and persons who are loaned pistols, revolvers, or other firearms capable of being concealed upon the person pursuant to Section 12071, 12072, or 12084, obtain a basic familiarity with those firearms, including, but not limited to, the safe handling and storage of those firearms, methods for childproofing those firearms, and the responsibilities associated with ownership of those firearms.

(d) It is further the intent of the Legislature, in enacting this article, to establish a program that would help to eliminate the potential for accidental deaths and injuries, particularly those

involving children, which are caused by the unsafe handling of pistols, revolvers, and other firearms capable of being concealed upon the person.

SEC. 25. Section 12802 of the Penal Code is amended to read:

12802. (a) No basic firearms safety certificate shall be issued to any person unless that person has complied with this article. Proof of compliance with this article shall be forwarded to the Department of Justice as frequently as the department may determine.

(b) It is the intent of the Legislature to require a basic firearms safety certificate for persons who anticipate the purchase or transfer of a pistol, revolver, or other firearm capable of being concealed upon the person and persons who are loaned pistols, revolvers, or other firearms capable of being concealed upon the person pursuant to Section 12071, 12072, or 12084. This requirement of a certificate is not intended to be a requirement for the mere possession of a firearm.

SEC. 26. Section 2 of Chapter 1180 of the Statutes of 1988, as amended by Section 12 of Chapter 951 of the Statutes of 1991, is amended to read:

Sec. 2. The Legislature declares the following to be the public policy of this state:

(a) No person who buys or is transferred or is loaned a firearm that was conducted through a person acting under Section 12082 or 12084 of the Penal Code shall incur any civil liability for any illicit use or possession of the firearm prior to his or her taking possession of the firearm if the person had no knowledge of that conduct.

(b) No person holding a license under Section 12071 of the Penal Code when delivering firearms pursuant to Section 12082 of the Penal Code shall assume any civil liability beyond that existing at the time of the effective date of this section when the person sells or transfers or loans any firearms out of his or her own stock, if that person otherwise complies with Section 12082 of the Penal Code. No person acting as a dealer pursuant to Section 12071 of the Penal Code who is delivering firearms for third parties pursuant to Section 12082 of the Penal Code, and the firearms are not out of his or her own stock, shall assume any civil liability for any defects in those firearms unless he or she has actual knowledge of the defect.

(c) No person who transfers, sells, or loans a firearm through a dealer licensed pursuant to Section 12071 of the Penal Code in accordance with Section 12082 of the Penal Code, or through a local law enforcement agency pursuant to Section 12084 of the Penal Code, and who otherwise complies with Article 3 (commencing with Section 12070) of Chapter 1 of Title 2 of Part 4 of the Penal Code shall incur any civil liability for subsequent misuse of the firearm by the purchaser, transferee, or person being loaned that firearm if he or she had no knowledge of the misuse prior to the transfer, sale, or loan.

(d) The declarations contained in this section are declaratory of existing law.

SEC. 27. No reimbursement is required by this act pursuant to

Section 6 of Article XIII B of the California Constitution because the only costs which may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, changes the definition of a crime or infraction, changes the penalty for a crime or infraction, or eliminates a crime or infraction. Notwithstanding Section 17580 of the Government Code, unless otherwise specified in this act, the provisions of this act shall become operative on the same date that the act takes effect pursuant to the California Constitution.

CHAPTER 24

An act to amend Section 350 of the Welfare and Institutions Code, relating to minors.

[Approved by Governor March 30, 1994. Filed with
Secretary of State March 30, 1994.]

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

SECTION 1. Section 350 of the Welfare and Institutions Code is amended to read:

350. (a) (1) The judge of the juvenile court shall control all proceedings during the hearings with a view to the expeditious and effective ascertainment of the jurisdictional facts and the ascertainment of all information relative to the present condition and future welfare of the person upon whose behalf the petition is brought. Except where there is a contested issue of fact or law, the proceedings shall be conducted in an informal nonadversary atmosphere with a view to obtaining the maximum cooperation of the minor upon whose behalf the petition is brought and all persons interested in his or her welfare with any provisions that the court may make for the disposition and care of the minor.

(2) Each juvenile court in Contra Costa, Los Angeles, Orange, Sacramento, San Diego, Santa Clara, and Tulare Counties is encouraged to develop a dependency mediation program to provide a problem-solving forum for all interested persons to develop a plan in the best interests of the child, emphasizing family preservation and strengthening. The Legislature finds that mediation of these matters assists the court in resolving conflict, and helps the court to intervene in a constructive manner in those cases where court intervention is necessary. Notwithstanding any other provision of law, no person, except the mediator, who is required to report suspected child abuse pursuant to the Child Abuse and Neglect Reporting Act (Article 2.5 (commencing with Section 11164) of Chapter 2 of Title 1 of Part 4 of the Penal Code), shall be exempted from those requirements under Section 1152.5 of the Evidence Code because he or she agreed to participate in a dependency mediation

program established in one of these juvenile courts.

If a dependency mediation program has been established in one of these juvenile courts, and if mediation is requested by any person who the judge or referee deems to have a direct and legitimate interest in the particular case, or on the court's own motion, the matter may be set for confidential mediation to develop a plan in the best interests of the child, utilizing resources within the family first and within the community if required.

(b) The testimony of a minor may be taken in chambers and outside the presence of the minor's parent or parents, if the minor's parent or parents are represented by counsel, the counsel is present and any of the following circumstances exist:

(1) The court determines that testimony in chambers is necessary to ensure truthful testimony.

(2) The minor is likely to be intimidated by a formal courtroom setting.

(3) The minor is afraid to testify in front of his or her parent or parents.

After testimony in chambers, the parent or parents of the minor may elect to have the court reporter read back the testimony or have the testimony summarized by counsel for the parent or parents.

The testimony of a minor also may be taken in chambers and outside the presence of the guardian or guardians of a minor under the circumstances specified in this subdivision.

(c) At any hearing in which the probation department bears the burden of proof, after the presentation of evidence on behalf of the probation department and the minor has been closed, the court, on motion of the minor, parent, or guardian, or on its own motion, shall order whatever action the law requires of it if the court, upon weighing all of the evidence then before it, finds that the burden of proof has not been met. That action includes, but is not limited to, the dismissal of the petition and release of the minor at a jurisdictional hearing, the return of the minor at an out-of-home review held prior to the permanency planning hearing, or the termination of jurisdiction at an in-home review. If the motion is not granted, the parent or guardian may offer evidence without first having reserved that right.

CHAPTER 25

An act to amend Section 66531 of the Government Code, relating to transportation.

[Approved by Governor March 30, 1994. Filed with Secretary of State March 30, 1994.]

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

SECTION 1. The Legislature finds and declares that county and regional transportation planning in the San Francisco Bay area must be coordinated and that local support is essential for the resulting plans to be meaningful and fully implemented. The Legislature also finds that it is critical that the long-range plans prepared pursuant to Section 66531 of the Government Code and the congestion management programs prepared pursuant to Section 65089 of that code be integrated.

SEC. 2. Section 66531 of the Government Code is amended to read:

66531. (a) Each county within the jurisdiction of the commission, together with the cities and transit operators within the county, may, every two years, develop and update a transportation plan for the county and the cities within the county. The county transportation plan shall be submitted to the commission by the agency that has been designated as the agency responsible for developing, adopting and updating the county's congestion management program pursuant to Section 65089, unless, not later than January 1, 1995, another public agency is designated by resolutions adopted by the county board of supervisors and the city councils of a majority of the cities representing a majority of the population in the incorporated area of the county. Nothing in this section requires additional action by the cities and county, if a joint powers agreement delegates the responsibility for the county transportation plan to the agency responsible for developing, adopting, and updating the county's congestion management program pursuant to Section 65089.

(b) The county transportation plans shall be consistent with, and provide a long-range vision for, the congestion management programs in the San Francisco Bay area prepared pursuant to Section 65089. The county transportation plans shall also be responsive to the planning factors included in Section 134 of the federal Intermodal Surface Transportation Efficiency Act of 1991 (Public Law 102-240).

(c) The commission, in consultation with local agencies, shall develop guidelines to be used in the preparation of county transportation plans. These guidelines shall be consistent with the commission's preparation of the regional transportation plan pursuant to Section 65081. These plans shall include recommendations for investment necessary to mitigate the impact of

congestion caused by an airport that is owned by the county, or city and county, and located in another county. The plans may include, but are not limited to, the following:

(1) Recommendations for investments necessary to sustain the effectiveness and efficiency of the county portion of the metropolitan transportation system, as defined cooperatively by the commission and the agency designated pursuant to Section 65089.

(2) Consideration of transportation system and demand management strategies which reinforce the requirements contained in Section 65089.

(3) Consideration of transportation impacts associated with land use designations embodied in the general plans of the county and cities within the county and projections of economic and population growth available from the Association of Bay Area Governments.

(4) Consideration of strategies that conserve existing transportation system capacity, such as pricing policies or long-term land use and transportation integration policies jointly developed by the commission and the agencies designated pursuant to Section 65089.

(5) Consideration of expected transportation revenues as estimated by the commission, the impact of these estimated revenues on investment recommendations, and options for enhanced transportation revenues.

(d) The commission shall adopt revised guidelines not later than January 1, 1995.

(e) The county transportation plan shall include recommended transportation improvements for the succeeding 10- and 20-year periods.

(f) The county transportation plans shall be the primary basis for the commission's regional transportation plan and shall be considered in the preparation of the regional transportation improvement program. To provide regional consistency, the county transportation plans shall consider the most recent regional transportation plan adopted by the commission. Where the counties' transportation plans conflict, the commission may resolve the differences as part of the regional transportation plan. The commission shall add proposals and policies of regional significance to the regional transportation plan.

(g) With the consent of the commission, a county may have the commission prepare its county transportation plan.

(h) The counties, together with the commission, shall jointly develop a funding strategy for the preparation of each county's transportation plan.

SEC. 3. Notwithstanding Section 17610 of the Government Code, 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. If the statewide cost of the claim for

reimbursement does not exceed one million dollars (\$1,000,000), reimbursement shall be made from the State Mandates Claims Fund. Notwithstanding Section 17580 of the Government Code, unless otherwise specified in this act, the provisions of this act shall become operative on the same date that the act takes effect pursuant to the California Constitution.

SEC. 4. Notwithstanding any other provision of law, the Controller shall deduct, from any state funds allocated to the cities, counties, and congestion management agencies designated pursuant to Section 65089 of the Government Code, the amount the city, county, or agency was reimbursed by the state for costs resulting from state mandates resulting from this act. The deducted state funds shall be transferred to the unappropriated balance of the fund from which they were appropriated.

CHAPTER 26

An act to amend Sections 32, 101, 124, 128.5, 130, 146, 149, 205, 313.1, 492, 800, 1626, 1632, 1633.5, 2071, 2085, 2101, 2102, 2135, 2144, 2265, 2406, 2415, 2423, 2427, 2428, 2461, 2489, 2499, 2530.3, 2530.4, 2531.05, 2531.2, 2531.3, 2535.2, 2537.1, 2537.2, 2537.3, 2538, 2559.2, 2560, 2561, 2604, 2636, 2639, 2655.4, 2655.5, 2655.71, 2655.8, 2660, 2666, 2732.1, 2733, 2741, 2761, 2892.1, 2927.5, 2960, 2984, 2986, 2987, 3057.5, 3147.6, 3147.7, 3306.5, 3321, 3354, 3365, 3402, 3452, 3454, 3542, 3543, 3544, 3545, 3546, 3739, 3760, 4033, 4035.4, 4036, 4036.2, 4036.3, 4036.4, 4050.8, 4390.5, 4510, 4521, 4545, 4546, 4933, 4935, 4940, 4949, 4955, 4956, 4961, 4966, 4967, 4969, 4980.90, 5029, 5070.7, 5081.1, 5680.1, 5680.2, 6529, 6704, 6715, 6735.3, 6735.4, 6736.1, 6737.3, 6796, 6796.3, 7051, 7306, 7685.3, 8000, 8005, 8018, 8027, 8030, 8030.2, 8040, 8712, 8750, 8762, 8802, 8803, 9662, and 18605 of, to amend and renumber Sections 2932 and 4982.2 of, to amend the heading of Article 7 (commencing with Section 2536) of Chapter 5.3 of Division 2 of, to amend the heading of Article 7 (commencing with Section 3535) of Chapter 7.7 of Division 2 of, to amend, repeal, and add Section 7071.6 of, to add Sections 23.7, 136, 200.1, 206, 462, 1686, 2688.5, 2895.1, 4982.2, and 4996.17 to, to add and repeal Sections 3057.5 and 3057.6, to repeal Sections 2140, 2673, 2739, 6737.4, 6796.6, 7851, and 8806 of, to repeal and add Sections 3751 and 4996.16 of, the Business and Professions Code, to amend Sections 13401 and 13401.5 of the Corporations Code, to amend Sections 69274.6 and 94304 of the Education Code, to amend Sections 1322, 11126, 11501, 11501.5, 26509, and 69942 of the Government Code, to amend Sections 286.5, 447.30, 447.50, 10203, 10225, 10250, 11027, 11164, 11167, 11167.5, and 11215 of the Health and Safety Code, and to amend Sections 14132.55 and 14134.5 of the Welfare and Institutions Code, relating to consumer affairs, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor March 30, 1994. Filed with
Secretary of State March 30, 1994.]

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

SECTION 1. Section 23.7 is added to the Business and Professions Code, to read:

23.7. Unless otherwise expressly provided, "license" means license, certificate, registration, or other means to engage in a business or profession regulated by this code or referred to in Section 1000 or 3600.

SEC. 2. Section 32 of the Business and Professions Code is amended to read:

32. (a) The Legislature finds that there is a need to ensure that professionals of the healing arts who have or intend to have significant contact with patients who have, or are at risk to be exposed to, acquired immune deficiency syndrome (AIDS) are provided with training in the form of continuing education regarding the characteristics and methods of assessment and treatment of the condition.

(b) A board vested with the responsibility of regulating the following licensees shall consider including training regarding the characteristics and method of assessment and treatment of acquired immune deficiency syndrome (AIDS) in any continuing education or training requirements for those licensees: chiropractors, medical laboratory technicians, dentists, dental hygienists, dental assistants, physicians and surgeons, podiatrists, registered nurses, licensed vocational nurses, psychologists, physician assistants, respiratory therapists, acupuncturists, marriage, family, and child counselors, licensed educational psychologists, and clinical social workers.

SEC. 3. Section 101 of the Business and Professions Code is amended to read:

101. The department is comprised of:

- (a) The Board of Dental Examiners of California.
- (b) The Medical Board of California.
- (c) The State Board of Optometry.
- (d) The California State Board of Pharmacy.
- (e) The Board of Examiners in Veterinary Medicine.
- (f) The Board of Accountancy.
- (g) The California State Board of Architectural Examiners.
- (h) The State Board of Barbering and Cosmetology.
- (i) The State Board of Registration for Professional Engineers and Land Surveyors.
- (j) The Contractors' State License Board.
- (k) The State Board of Funeral Directors and Embalmers.
- (l) The Structural Pest Control Board.
- (m) The Bureau of Home Furnishings and Thermal Insulation.
- (n) The Board of Registered Nursing.
- (o) The Board of Behavioral Science Examiners.

- (p) The State Athletic Commission.
- (q) The Cemetery Board.
- (r) The State Board of Guide Dogs for the Blind.
- (s) The Bureau of Security and Investigative Services.
- (t) The Court Reporters Board of California.
- (u) The Board of Vocational Nurse and Psychiatric Technician Examiners of the State of California.
- (v) The California State Board of Landscape Architects.
- (w) The Bureau of Electronic and Appliance Repair.
- (x) The Division of Investigation.
- (y) The Bureau of Automotive Repair.
- (z) The State Board of Registration for Geologists and Geophysicists.
- (aa) The State Board of Examiners of Nursing Home Administrators.
 - (ab) The Respiratory Care Examining Committee.
 - (ac) The Acupuncture Examining Committee.
 - (ad) The Board of Psychology.
 - (ae) The California Board of Podiatric Medicine.
 - (af) The Physical Therapy Examining Committee.
 - (ag) The Arbitration Review Program.
 - (ah) The Committee on Dental Auxiliaries.
 - (ai) The Hearing Aid Dispensers Examining Committee.
 - (aj) The Physician Assistant Examining Committee.
 - (ak) The Speech-Language Pathology and Audiology Examining Committee.
- (al) The Tax Preparers Program.
- (am) Any other boards, offices, or officers subject to its jurisdiction by law.

SEC. 4. Section 124 of the Business and Professions Code is amended to read:

124. Notwithstanding subdivision (c) of Section 11505 of the Government Code, whenever written notice, including a notice, order, or document served pursuant to the Administrative Procedure Act (Ch. 3.5 (commencing with Sec. 11340), Ch. 4 (commencing with Sec. 11370), and Ch. 5 (commencing with Sec. 11500), Gov. C.), is required to be given by any board in the department, the notice may be given by regular mail addressed to the last known address of the licentiate or by personal service, at the option of the board.

SEC. 5. Section 128.5 of the Business and Professions Code is amended to read:

128.5. (a) Notwithstanding any other provision of law, if at the end of any fiscal year, an agency within the Department of Consumer Affairs, except the agencies referred to in subdivision (b), has unencumbered funds in an amount which equals or is more than the agency's operating budget for the next two fiscal years, the agency shall reduce license or other fees, whether the license or other fees be fixed by statute or may be determined by the agency

within limits fixed by statute, during the following fiscal year in an amount which will reduce any surplus funds of the agency to an amount less than the agency's operating budget for the next two fiscal years.

(b) Notwithstanding any other provision of law, if at the end of any fiscal year, the California Board of Architectural Examiners, the Board of Behavioral Science Examiners, the Board of Examiners in Veterinary Medicine, the Court Reporters Board of California, the Medical Board of California, the Board of Vocational Nurse and Psychiatric Technician Examiners of California, or the Bureau of Security and Investigative Services has unencumbered funds in an amount which equals or is more than the agency's operating budget for the next two fiscal years, the agency shall reduce license or other fees, whether the license or other fees be fixed by statute or may be determined by the agency within limits fixed by statute, during the following fiscal year in an amount which will reduce any surplus funds of the agency to an amount less than the agency's operating budget for the next two fiscal years.

SEC. 6. Section 130 of the Business and Professions Code is amended to read:

130. (a) Notwithstanding any other provision of law, the term of office of any member of an agency designated in subdivision (b) shall be for a term of four years expiring on June 1.

(b) Subdivision (a) applies to the following boards or committees:

- (1) Medical Board of California.
- (2) California Board of Podiatric Medicine.
- (3) Physical Therapy Examining Committee.
- (4) Board of Registered Nursing.
- (5) Board of Vocational Nurse and Psychiatric Technician Examiners of the State of California.
- (6) State Board of Optometry.
- (7) California State Board of Pharmacy.
- (8) Board of Examiners in Veterinary Medicine.
- (9) California Board of Architectural Examiners.
- (10) California State Board of Landscape Architects.
- (11) State Board of Barbering and Cosmetology.
- (12) State Board of Registration for Professional Engineers and Land Surveyors.
- (13) Contractors' State License Board.
- (14) State Board of Guide Dogs for the Blind.
- (15) State Board of Funeral Directors and Embalmers.
- (16) Board of Behavioral Science Examiners.
- (17) Structural Pest Control Board.
- (18) Cemetery Board.
- (19) Bureau of Electronic and Appliance Repair Advisory Board.
- (20) Court Reporters Board of California.
- (21) State Board of Registration for Geologists and Geophysicists.
- (22) State Athletic Commission.
- (23) Osteopathic Medical Board of California.

(24) The Respiratory Care Examining Committee.

(25) The Acupuncture Examining Committee.

(26) The Board of Psychology.

SEC. 7. Section 136 is added to the Business and Professions Code, to read:

136. (a) Each person holding a license, certificate, registration, permit, or other authority to engage in a profession or occupation issued by a board within the department shall notify the issuing board at its principal office of any change in his or her mailing address within 30 days after the change, unless the board has specified by regulations a shorter time period.

(b) Except as otherwise provided by law, failure of a licentiate to comply with the requirement in subdivision (a) constitutes grounds for the issuance of a citation and administrative fine, if the board has the authority to issue citations and administrative fines.

SEC. 8. Section 146 of the Business and Professions Code is amended to read:

146. (a) Notwithstanding any other provision of law, a violation of any code section listed in subdivision (c) is an infraction subject to the procedures described in Sections 19.6 and 19.7 of the Penal Code when:

(1) A complaint or a written notice to appear in court pursuant to Chapter 5c (commencing with Section 853.5) of Title 3 of Part 2 of the Penal Code is filed in court charging the offense as an infraction unless the defendant, at the time he or she is arraigned, after being advised of his or her rights, elects to have the case proceed as a misdemeanor, or

(2) The court, with the consent of the defendant and the prosecution, determines that the offense is an infraction in which event the case shall proceed as if the defendant has been arraigned on an infraction complaint.

(b) Subdivision (a) does not apply to a violation of the code sections listed in subdivision (c) if the defendant has had his or her license, registration, or certificate previously revoked or suspended.

(c) The following sections require registration, licensure, certification, or other authorization in order to engage in certain businesses or professions regulated by this code:

(1) Sections 2052 and 2054.

(2) Section 2630.

(3) Section 2903.

(4) Sections 3760 and 3761.

(5) Section 4080.

(6) Section 4825.

(7) Section 4935.

(8) Section 4980.

(9) Section 4996.

(10) Section 5536.

(11) Section 6704.

(12) Section 6980.10.

- (13) Section 7317.
- (14) Section 7502 or 7592.
- (15) Section 7520.
- (16) Section 7617 or 7641.
- (17) Subdivision (a) of Section 7872.
- (18) Section 8016.
- (19) Section 8505.
- (20) Section 8725.
- (21) Section 9681.
- (22) Section 9840.
- (23) Section 9884.6.
- (24) Subdivision (c) of Section 9891.24.
- (25) Section 19049.

(d) Notwithstanding any other provision of law, a violation of any of the sections listed in subdivision (c), which is an infraction, is punishable by a fine of not less than two hundred fifty dollars (\$250) and not more than one thousand dollars (\$1,000). No portion of the minimum fine may be suspended by the court unless as a condition of that suspension the defendant is required to submit proof of a current valid license, registration, or certificate for the profession or vocation which was the basis for his or her conviction.

SEC. 9. Section 149 of the Business and Professions Code is amended to read:

149. (a) If, upon investigation, an agency designated in subdivision (e) has probable cause to believe that a person is advertising in a telephone directory with respect to the offering or performance of services, without being properly licensed by or registered with the agency to offer or perform those services, the agency may issue a citation under Section 148 containing an order of correction which requires the violator to do both of the following:

(1) Cease the unlawful advertising.

(2) Notify the telephone company furnishing services to the violator to disconnect the telephone service furnished to any telephone number contained in the unlawful advertising.

(b) This action is stayed if the person to whom a citation is issued under subdivision (a) notifies the agency in writing that he or she intends to contest the citation. The agency shall afford an opportunity for a hearing, as specified in Section 125.9.

(c) If the person to whom a citation and order of correction is issued under subdivision (a) fails to comply with the order of correction after that order is final, the agency shall inform the Public Utilities Commission of the violation and the Public Utilities Commission shall require the telephone corporation furnishing services to that person to disconnect the telephone service furnished to any telephone number contained in the unlawful advertising.

(d) The good faith compliance by a telephone corporation with an order of the Public Utilities Commission to terminate service issued pursuant to this section shall constitute a complete defense to any civil or criminal action brought against the telephone corporation

arising from the termination of service.

(e) Subdivision (a) shall apply to the following boards, bureaus, committees, commissions, or programs:

- (1) The State Board of Barbering and Cosmetology.
- (2) The State Board of Funeral Directors and Embalmers.
- (3) The Board of Examiners in Veterinary Medicine.
- (4) The Hearing Aid Dispensers Examining Committee.
- (5) The State Board of Landscape Architects.
- (6) The California Board of Podiatric Medicine.
- (7) The Respiratory Care Examining Committee.
- (8) The Bureau of Home Furnishings and Thermal Insulation.
- (9) The Bureau of Security and Investigative Services.
- (10) The Bureau of Electronic and Appliance Repair.
- (11) The Bureau of Automotive Repair.
- (12) The Tax Preparers Program.
- (13) The California Board of Architectural Examiners.
- (14) The Speech-Language Pathology and Audiology Examining Committee.
- (15) The Board of Registration for Professional Engineers and Land Surveyors.
- (16) The Board of Behavioral Science Examiners.
- (17) The State Board of Registration for Geologists and Geophysicists.
- (18) The Structural Pest Control Board.
- (19) The Acupuncture Examining Committee.
- (20) The Board of Psychology.
- (21) The State Board of Accountancy.

SEC. 10. Section 200.1 is added to the Business and Professions Code, to read:

200.1. (a) Any accruals that occur on or after September 11, 1993, to any funds or accounts within the Professions and Vocations Fund that realize increased revenues to that fund or account as a result of legislation enacted on or after September 11, 1993, and that have not been transferred pursuant to Sections 13.50, 13.60, and 13.70 of the Budget Act of 1993 on the effective date of the act that enacted this section, shall be exempt from the transfers contained in Sections 13.50, 13.60, and 13.70 of the Budget Act of 1993. These funds shall include, but not be limited to, all of the following:

- (1) Athletic Commission Fund.
- (2) Bureau of Home Furnishings and Thermal Insulation Fund.
- (3) Contractors' License Fund.
- (4) Private Investigator Fund.
- (5) Respiratory Care Fund.
- (6) Vocational Nurse and Psychiatric Technician Examiners Fund.

(b) Subdivision (a) shall not apply to the Contingent Fund of the Medical Board of California.

SEC. 11. Section 205 of the Business and Professions Code is amended to read:

205. There is in the State Treasury the Professions and Vocations Fund. The fund shall consist of the following special funds:

- Accountancy Fund.
- California Board of Architectural Examiners' Fund.
- Athletic Commission Fund.
- State Board of Barbering and Cosmetology Fund.
- Cemetery Fund.
- Contractors' License Fund.
- State Dentistry Fund.
- State Funeral Directors and Embalmers' Fund.
- Bureau of Home Furnishings and Thermal Insulation Fund.
- State Board of Landscape Architects' Fund.
- Contingent Fund of the Board of Medical Examiners.
- Board of Nurse Examiners' Fund.
- State Optometry Fund.
- Pharmacy Board Contingent Fund.
- Physical Therapy Fund.
- Private Investigator Fund.
- Professional Engineers' and Land Surveyors' Fund.
- Consumer Affairs Fund.
- Behavioral Science Examiners Fund.
- Court Reporters' Fund.
- Structural Pest Control Fund.
- Board of Veterinary Examiners' Contingent Fund.
- Vocational Nurse Examiners' Fund.
- State Dental Auxiliary Fund.
- Electronic and Appliance Repair Fund.
- Geology and Geophysics Fund.
- Dispensing Opticians Fund.
- Acupuncture Fund.
- Hearing Aid Dispensers Fund.
- Physician Assistant Fund.
- Board of Podiatric Medicine Fund.
- Psychology Fund.
- Respiratory Care Fund.
- Speech-Language Pathology and Audiology Fund.
- Pharmacy Board Contingent Fund.
- Board of Registered Nursing Fund.
- Nursing Home Administrator's State License Examining Board Fund.
- Vocational Nurse and Psychiatric Technician Examiners Fund.
- Animal Health Technician Examining Committee Fund.
- Tax Preparers Fund.

For accounting and recordkeeping purposes, the Professions and Vocations Fund shall be deemed to be a single special fund, and each of the several special funds therein shall constitute and be deemed to be a separate account in the Professions and Vocations Fund. Each account or fund shall be available for expenditure only for the purposes as are now or may hereafter be provided by law.

SEC. 12. Section 206 is added to the Business and Professions Code, to read:

206. Notwithstanding any other provision of law, any person tendering a check for payment of a fee, fine, or penalty that was subsequently dishonored, shall not be granted a license, or other authority that they were seeking, until the applicant pays the amount outstanding from the dishonored payment together with the applicable fee, including any delinquency fee. The board may require the person whose check was returned unpaid to make payment of all fees by cashier's check or money order.

SEC. 13. Section 313.1 of the Business and Professions Code is amended to read:

313.1. (a) Notwithstanding any other provision of law to the contrary, no rule or regulation, except those relating to examinations and qualifications for licensure, and no fee change proposed or promulgated by any of the boards, commissions, or committees within the department, shall take effect pending compliance with this section.

(b) The director shall be formally notified of and shall be provided a full opportunity to review, in accordance with the requirements of Article 5 (commencing with Section 11346) of Chapter 3.5 of Part 1 of Division 3 of Title 2 of the Government Code, and this section, all of the following:

(1) All notices of proposed action, any modifications and supplements thereto, and the text of proposed regulations.

(2) Any notices of sufficiently related changes to regulations previously noticed to the public, and the text of proposed regulations showing modifications to the text.

(3) Final rulemaking records.

(c) The submission of all notices and final rulemaking records to the director and the completion of the director's review, as authorized by this section, shall be a precondition to the filing of any rule or regulation with the Office of Administrative Law. The Office of Administrative Law shall have no jurisdiction to review a rule or regulation subject to this section until after the completion of the director's review and only then if the director has not disapproved it. The filing of any document with the Office of Administrative Law shall be accompanied by a certification that the board, commission, or committee has complied with the requirements of this section.

(d) Following the receipt of any final rulemaking record subject to subdivision (a), the director shall have the authority for a period of 30 days to disapprove a proposed rule or regulation on the ground that it is injurious to the public health, safety, or welfare.

(e) Final rulemaking records shall be filed with the director within the one-year notice period specified in Section 11346.4 of the Government Code. If necessary for compliance with this section, the one-year notice period may be extended, as specified by this subdivision.

(1) In the event that the one-year notice period lapses during the

director's 30-day review period, or within 60 days following the notice of the director's disapproval, it may be extended for a maximum of 90 days.

(2) If the director approves the final rulemaking record or declines to take action on it within 30 days, the board, commission, or committee shall have five days from the receipt of the record from the director within which to file it with the Office of Administrative Law.

(3) If the director disapproves a rule or regulation, it shall have no force or effect unless, within 60 days of the notice of disapproval, (A) the disapproval is overridden by a unanimous vote of the members of the board, commission, or committee, and (B) the board, commission, or committee files the final rulemaking record with the Office of Administrative Law in compliance with this section and the procedures required by Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code.

(f) Nothing in this section shall be construed to prohibit the director from affirmatively approving a proposed rule, regulation, or fee change at any time within the 30-day period after it has been submitted to him or her, in which event it shall become effective upon compliance with this section and the procedures required by Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code.

SEC. 14. Section 462 is added to the Business and Professions Code, to read:

462. (a) Any of the boards, bureaus, commissions, or programs within the department may establish, by regulation, a system for an inactive category of licensure for persons who are not actively engaged in the practice of their profession or vocation.

(b) The regulation shall contain the following provisions:

(1) The holder of an inactive license issued pursuant to this section shall not engage in any activity for which a license is required.

(2) An inactive license issued pursuant to this section shall be renewed during the same time period in which an active license is renewed. The holder of an inactive license need not comply with any continuing education requirement for renewal of an active license.

(3) The renewal fee for a license in an active status shall apply also for a renewal of a license in an inactive status, unless a lesser renewal fee is specified by the board.

(4) In order for the holder of an inactive license issued pursuant to this section to restore his or her license to an active status, the holder of an inactive license shall comply with all the following:

(A) Pay the renewal fee.

(B) If the board requires completion of continuing education for renewal of an active license, complete continuing education equivalent to that required for renewal of an active license, unless a different requirement is specified by the board.

(c) This section shall not apply to any healing arts board as specified in Section 701.

SEC. 15. Section 492 of the Business and Professions Code is amended to read:

492. Notwithstanding any other provision of law, successful completion of any diversion program under the Penal Code, or successful completion of an alcohol and drug problem assessment program under Article 5 (commencing with Section 23249.50) of Chapter 12 of Division 11 of the Vehicle Code, shall not prohibit any agency established under Division 2 (commencing with Section 500) of this code, or any initiative act referred to in that division, from taking disciplinary action against a licensee or from denying a license for professional misconduct, notwithstanding that evidence of that misconduct may be recorded in a record pertaining to an arrest.

This section shall not be construed to apply to any drug diversion program operated by any agency established under Division 2 (commencing with Section 500) of this code, or any initiative act referred to in that division.

SEC. 15.5. Section 800 of the Business and Professions Code is amended to read:

800. (a) The Board of Medical Quality Assurance, the Board of Dental Examiners, the Osteopathic Medical Board of California, the Board of Chiropractic Examiners, the California Board of Registered Nursing, the Board of Vocational Nurse and Psychiatric Technician Examiners, the State Board of Optometry, the Board of Examiners in Veterinary Medicine, and the State Board of Pharmacy shall each separately create and maintain a central file of the names of all persons who hold a license, certificate, or similar authority from such board. Each central file shall be created and maintained to provide an individual historical record for each licensee with respect to (1) any conviction of a crime in this or any other state which constitutes unprofessional conduct pursuant to the reporting requirements of Section 803; (2) any judgment or settlement requiring the licensee or his or her insurer, to pay any amount of damages in excess of three thousand dollars (\$3,000) for any claim that injury or death was proximately caused by the licensee's negligence, error or omission in practice, or by rendering unauthorized professional services, pursuant to the reporting requirements of Section 801 or 802; (3) any public complaints for which provision is hereinafter made, pursuant to subdivision (b) of this section; (4) disciplinary information reported pursuant to Section 805.

(b) Each board shall prescribe and promulgate forms on which members of the public and other licensees or certificate holders may file written complaints to the board alleging any act of misconduct in, or connected with, the performance of professional services by the licensee.

If a board, or division thereof, a committee, or a panel has failed to act upon a complaint or report within five years, or has found that the complaint or report is without merit, the central file shall be purged of information relating to the complaint or report.

Notwithstanding this subdivision, the Board of Psychology and the

Respiratory Care Board of California shall maintain complaints or reports as long as each board deems necessary.

(c) The contents of any central file which are not public records under any other provision of law shall be confidential except that the licensee involved, or his or her counsel or representative, shall have the right to inspect and have copies made of his or her complete file except for the provision that may disclose the identity of an information source. For the purposes of this section, a board may protect an information source by providing a copy of the material with only those deletions necessary to protect the identity of the source or by providing a comprehensive summary of the substance of the material. Whichever method is used, the board shall ensure that full disclosure is made to the subject of any personal information that could reasonably in any way reflect or convey anything detrimental, disparaging, or threatening to a licensee's reputation, rights, benefits, privileges, or qualifications, or be used by a board to make a determination that would affect a licensee's rights, benefits, privileges, or qualifications.

The licensee may, but is not required to, submit any additional exculpatory or explanatory statement or other information which the board shall include in the central file.

Each board may permit any law enforcement or regulatory agency when required for an investigation of unlawful activity or for licensing, certification, or regulatory purposes to inspect and have copies made of that licensee's file, unless the disclosure is otherwise prohibited by law.

These disclosures shall effect no change in the confidential status of these records.

SEC. 17. Section 1626 of the Business and Professions Code is amended to read:

1626. It is unlawful for any person to engage in the practice of dentistry in the state, either privately or as an employee of a governmental agency or political subdivision, unless the person has a valid, unexpired license or special permit from the board.

The following practices, acts and operations, however, are exempt from the operation of this chapter:

(a) The practice of oral surgery by a physician and surgeon licensed under the Medical Practice Act.

(b) The operations by bona fide students of dentistry or dental hygiene in the clinical departments or the laboratory of a reputable dental college approved by the Board of Dental Examiners, including operations by unlicensed students while engaged in dental extension programs which have been approved by a school of dentistry, and approved by the Board of Dental Examiners, and which are offered by the educational institution comprising the approved school of dentistry, and which are under the general programmatic and academic supervision of that school of dentistry.

(c) The practice of dentistry by licensed dentists of other states or countries while appearing and operating as bona fide clinicians or

instructors in dental colleges approved by the Board of Dental Examiners.

(d) The practice of dentistry by licensed dentists of other states or countries in conducting or making a clinical demonstration before any bona fide dental or medical society, association or convention; provided, however, the consent of the Board of Dental Examiners to the making and conducting of the clinical demonstration must be first had and obtained.

(e) The construction, making, verification of shade taking, alteration or repairing of bridges, crowns, dentures, or other prosthetic appliances, or orthodontic appliances, when the casts or impressions for this work have been made or taken by a licensed dentist, but a written authorization signed by a licensed dentist shall accompany the order for the work or it shall be performed in the office of a licensed dentist under his or her supervision. The burden of proving written authorization or direct supervision is upon the person charged with the violation of this chapter.

It is unlawful for any person acting under the exemption of this subdivision (e) to represent or hold out to the public in any manner that he or she will perform or render any of the services exempted by this subdivision that are rendered or performed under the provisions of this chapter by a licensed dentist, including the construction, making, alteration or repairing of dental prosthetic or orthodontic appliances.

(f) The manufacture or sale of wholesale dental supplies.

(g) The practice of dentistry or dental hygiene by applicants during a licensing examination conducted in this state by the licensing agency of another state which does not have a dental school; provided, however, that the consent of the board to the conducting of the examination shall first have been obtained and that the examination shall be conducted in a dental college accredited by the board.

(h) The practice by personnel of the Air Force, Army, Coast Guard, or Navy or employees of the United States Public Health Service, Veterans' Administration, or Bureau of Indian Affairs when engaged in the discharge of official duties.

SEC. 18. Section 1632 of the Business and Professions Code is amended to read:

1632. The applicant shall give demonstrations of his or her skill in operative dentistry, prosthetic dentistry, diagnosis and treatment of periodontics, and his or her judgment in diagnosis-treatment planning. The examination may be supplemented by a jurisprudence and ethics examination.

SEC. 19. Section 1633.5 of the Business and Professions Code is amended to read:

1633.5. Notwithstanding any other provision of this chapter, the board may require each applicant to successfully complete the National Board of Dental Examiners' written examination administered by the National Board of Dental Examiners as

evidenced by a receipt of a certificate from that board. Notwithstanding Section 1633, an applicant who successfully completed the examination shall be exempt from further written examination requirements; provided, however, that nothing in this section shall be construed to prevent the board from administering the oral diagnosis and treatment planning examination, or a jurisprudence or ethics examination in written form.

SEC. 20. Section 1686 is added to the Business and Professions Code, to read:

1686. A person whose license, certificate, or permit has been revoked or suspended or who has been placed on probation may petition the board for reinstatement or modification of penalty, including modification or termination of probation, after a period of not less than the following minimum periods have elapsed from the effective date of the decision ordering disciplinary action:

(a) At least three years for reinstatement of a license revoked for unprofessional conduct.

(b) At least two years for early termination of probation of three years or more.

(c) At least one year for modification of a condition, or reinstatement of a license revoked for mental or physical illness, or termination of probation of less than three years.

The petition shall state any fact required by the board.

The petition may be heard by the board, or the board may assign the petition to an administrative law judge designated in Section 11371 of the Government Code.

In considering reinstatement or modification or penalty, the board or the administrative law judge hearing the petition may consider (1) all activities of the petitioner since the disciplinary action was taken, (2) the offense for which the petitioner was disciplined, (3) the petitioner's activities during the time the license, certificate, or permit was in good standing, and (4) the petitioner's rehabilitative efforts, general reputation for truth, and professional ability. The hearing may be continued from time to time as the board or the administrative law judge as designated in Section 11371 of the Government Code finds necessary.

The board or the administrative law judge may impose necessary terms and conditions on the licentiate in reinstating a license, certificate, or permit or modifying a penalty.

No petition under this section shall be considered while the petitioner is under sentence for any criminal offense, including any period during which the petitioner is on court-imposed probation or parole. No petition shall be considered while there is an accusation or petition to revoke probation pending against the person. The board may deny without a hearing or argument any petition filed pursuant to this section within a period of two years from the effective date of the prior decision following a hearing under this section.

Nothing in this section shall be deemed to alter Sections 822 and

823.

SEC. 22. Section 2071 of the Business and Professions Code is amended to read:

2071. The Division of Allied Health Professions shall adopt and administer regulations which establish standards for technical supportive services which may be performed by a medical assistant. Nothing in this section shall prohibit the division from amending or repealing regulations covering medical assistants. The division shall, prior to the adoption of any regulations, request recommendations regarding these standards from appropriate public agencies, including, but not limited to, the State Board of Optometry, the Board of Registered Nursing, the Board of Vocational Nurse and Psychiatric Technician Examiners of the State of California, the Laboratory Field Services division of the State Department of Health Services, those divisions of the State Department of Education which pertain to private postsecondary education and career and vocational preparation, the Chancellor of the California Community Colleges, the California Board of Podiatric Medicine, the Physician Assistant Examining Committee, and the Physical Therapy Examining Committee. The division shall also request recommendations regarding these standards from associations of medical assistants, physicians, nurses, doctors of podiatric medicine, physician assistants, physical therapists, laboratory technologists, optometrists, and others as the division finds appropriate, including, but not limited to, the California Optometric Association, the California Nurses Association, the California Medical Association, the California Society of Medical Assistants, the California Medical Assistants' Association, and the California Chapter of the American Physical Therapy Association. Nothing in this section shall be construed to supersede or modify that portion of the Administrative Procedure Act which relates to the procedure for the adoption of regulations and which is set forth in Article 5 (commencing with Section 11346) of Chapter 3.5 of Part 1 of Division 3 of Title 2 of the Government Code.

SEC. 23. Section 2085 of the Business and Professions Code is amended to read:

2085. (a) Notwithstanding Section 2084, a graduate of an approved medical school located in the United States or Canada who has graduated from a special medical school program that does not substantially meet the requirements of Section 2089 with respect to any aspect of curriculum length or content may be approved by the Division of Licensing if the division determines that the applicant has otherwise received adequate instruction in the subjects listed in subdivision (b) of Section 2089.

"Adequate instruction" means the applicant has received instruction adequate to prepare the applicant to engage in the practice of medicine in the United States. This definition applies to the sufficiency of instruction of the following courses:

- (1) Anatomy, including gross anatomy, embryology, histology,

and neuroanatomy.

- (2) Bacteriology and immunology.
- (3) Biochemistry.
- (4) Pathology.
- (5) Pharmacology.
- (6) Physiology.

The division may require an applicant under this section to undertake additional education to bring up to standard, instruction in the subjects listed in subdivision (b) of Section 2089 as a condition of issuing a physician and surgeon's certificate. In approving an applicant under this section, the division may take into account the applicant's total relevant academic experience, including performance on standardized national examinations.

(b) (1) Notwithstanding subdivision (a) or Sections 2084 and 2089, an applicant who is a graduate of an approved medical school located in the United States or Canada who has graduated from a special medical school program that does not substantially meet the requirements of Section 2089 with respect to any aspect of curriculum length or content shall be presumed to meet the requirements of Sections 2084 and 2089 if the special medical school program has been reviewed and approved by a national accrediting agency approved by the division and recognized by the United States Department of Education.

(2) This presumption may be overcome upon a finding by the division that the medical education received by the applicant is not the educational equivalent of the medical education received by graduates of medical schools approved pursuant to subdivision (a) or Section 2084. In making its finding, the division shall consider, at a minimum, the applicant's total academic and medical training experience prior to, and following, as well as during, medical school, the applicant's performance on standardized national examinations, including the National Board Examinations, the applicant's achievements as a house staff officer, and the number of years of postgraduate medical training completed by the applicant.

(3) An applicant under this subdivision who (A) has satisfactorily completed at least two years of postgraduate clinical training approved by the Accreditation Council for Graduate Medical Education or the Coordinating Council of Medical Education of the Canadian Medical Association and whose postgraduate training has included at least one year of clinical contact with patients and (B) has achieved a passing score in each subject area of the written examination required for licensure, satisfies the requirements of Sections 2084 and 2089. For purposes of this subdivision, a passing score on a subject area in Part I of the written examination shall be a standard score of 380 or higher, and for a subject area in Part II of the examination, a standard score of 290 or higher. For purposes of this subdivision, an applicant who has satisfactorily completed at least two years of approved postgraduate clinical training on or before July 1, 1987, shall not be required to have at least one year of

clinical contact with patients.

(4) An applicant who has not achieved a passing score in one or more subject areas of the written examination required for licensure may otherwise demonstrate to the satisfaction of the division that he or she possesses adequate skills, knowledge, and ability in the particular subject area or areas of the examination not passed.

(5) An applicant who has not achieved a passing score in one or more subject areas of the required examination may, at the discretion of the division, be allowed to remedy that deficiency by achieving a passing score in the pertinent subject area or areas through a reexamination administered under the auspices of the division, at the applicant's expense.

(6) Applicants under this subdivision who apply after satisfactorily completing one year of approved postgraduate training shall have their applications reviewed by the division and shall be informed by the division either that satisfactory completion of a second year of approved postgraduate training will result in their being deemed to meet the requirements of Sections 2084 and 2089, or informed of any deficiencies in their qualifications or documentation and the specific remediation, if any, required by the division to meet the requirements of Sections 2084 and 2089. Upon satisfactory completion of the specified remediation, the division shall promptly issue a license to the applicant.

SEC. 23.2. Section 2101 of the Business and Professions Code is amended to read:

2101. Any applicant who is not a citizen of the United States or otherwise does not qualify for licensure as a physician and surgeon under Section 2102 whose professional instruction was acquired in a country other than the United States or Canada shall provide evidence satisfactory to the Division of Licensing of compliance with the following requirements in order to be issued a physician and surgeon's certificate:

(a) Completion in a medical school or schools a resident course of professional instruction equivalent to that required by Section 2089 and issuance to the applicant of a document acceptable to the division which shows final and successful completion of the course.

(b) Admission or licensure to practice medicine and surgery in a country or other state of the United States wherein licensure requirements are satisfactory to the division.

(c) Certification by the Educational Commission for Foreign Medical Graduates, or its equivalent, as determined by the division. This subdivision shall apply to all applicants who are subject to this section and who have not taken and passed the written examination specified in subdivision (e) prior to June 1, 1986.

(d) Satisfactory completion of the postgraduate training required under Section 2096. An applicant shall be required to have substantially completed the professional instruction required in subdivision (a) and shall be required to make application to the division and have passed steps 1 and 2 of the written examination

relating to biomedical and clinical sciences prior to commencing any postgraduate training in this state. In its discretion, the division may authorize an applicant who is deficient in any education or clinical instruction required by Sections 2089 and 2089.5 to make up any deficiencies as a part of his or her postgraduate training program, but any such remedial training shall be in addition to the postgraduate training required for licensure.

(e) Pass the written examination as provided under Article 9 (commencing with Section 2170) and an oral examination. An applicant shall be required to meet the requirements specified in subdivision (c) prior to being admitted to the written examination required by this subdivision.

Nothing in this section prohibits the division from disapproving any foreign medical school or from denying an application if, in the opinion of the division, the professional instruction provided by the medical school or the instruction received by the applicant is not equivalent to that required in Article 4 (commencing with Section 2080).

SEC. 23.3. Section 2102 of the Business and Professions Code is amended to read:

2102. Any applicant who either (1) is a United States citizen or (2) has filed a declaration of intention to become a United States citizen, a petition for naturalization, or a comparable document, whose professional instruction was acquired in a country other than the United States or Canada shall provide evidence satisfactory to the Division of Licensing of compliance with the following requirements to be issued a physician and surgeon's certificate:

(a) Completion in a medical school or schools of a resident course of professional instruction equivalent to that required by Section 2089 and issuance to the applicant of a document acceptable to the division which shows final and successful completion of the course.

(b) Certification by the Educational Commission for Foreign Medical Graduates, or its equivalent, as determined by the division. This subdivision shall apply to all applicants who are subject to this section and who have not taken and passed the written examination specified in subdivision (d) prior to June 1, 1986.

(c) Satisfactory completion of the postgraduate training required under Section 2096. An applicant shall be required to have substantially completed the professional instruction required in subdivision (a) and shall be required to make application to the division and have passed steps 1 and 2 of the written examination relating to biomedical and clinical sciences prior to commencing any postgraduate training in this state. In its discretion, the division may authorize an applicant who is deficient in any education or clinical instruction required by Sections 2089 and 2089.5 to make up any deficiencies as a part of his or her postgraduate training program, but any such remedial training shall be in addition to the postgraduate training required for licensure.

(d) Pass the written examination as provided under Article 9

(commencing with Section 2170) and an oral examination. An applicant shall be required to meet the requirements specified in subdivision (b) prior to being admitted to the written examination required by this subdivision.

Nothing in this section prohibits the division from disapproving any foreign medical school or from denying an application if, in the opinion of the division, the professional instruction provided by the medical school or the instruction received by the applicant is not equivalent to that required in Article 4 (commencing with Section 2080).

SEC. 23.4. Section 2135 of the Business and Professions Code is amended to read:

2135. The Division of Licensing shall issue a physician and surgeon's certificate to an applicant who meets all of the following requirements:

(a) The applicant holds an unlimited license as a physician and surgeon in another state which was issued upon:

(1) Successful completion of a resident course of professional instruction equivalent to that specified in Section 2089.

(2) Taking and passing a written examination that is recognized by the division to be equivalent in content to that administered in California.

(b) The applicant has practiced medicine, with an unrestricted license, in a state or states, in a Canadian province or Canadian provinces, or as a member of the active military, United States Public Health Services, or other federal program, for a period of at least four years. Any time spent by the applicant in an approved postgraduate training program or clinical fellowship acceptable to the division shall not be included in the calculation of this four-year period.

(c) The division determines that no disciplinary action has been taken against the applicant by any medical licensing authority and that the applicant has not been the subject of adverse judgments or settlements resulting from the practice of medicine which the division determines constitutes evidence of a pattern of negligence or incompetence.

(d) The applicant takes and passes the clinical competency written examination administered by the division or takes and passes in another state, commonwealth, or territory of the United States, an examination which is recognized by the division to be equivalent to that administered in this state. However, this subdivision shall not apply to a graduate of a medical school approved by the division.

(e) The applicant takes and passes an oral examination administered by the division.

(f) The applicant has not committed any acts or crimes constituting grounds for denial of a certificate under Division 1.5 (commencing with Section 475) or Article 12 (commencing with Section 2220).

(g) Any application received from an applicant who has practiced medicine with an unrestricted license, in a state or states, or as a

member of the active military, United States Public Health Services, or other federal program for four or more years shall be reviewed and processed pursuant to this section. Any time spent by the applicant in an approved postgraduate training program or clinical fellowship acceptable to the division shall not be included in the calculation of this four-year period. This subdivision does not apply to applications which may be reviewed and processed pursuant to Section 2151.

SEC. 23.5. Section 2140 of the Business and Professions Code is repealed.

SEC. 23.6. Section 2144 of the Business and Professions Code is amended to read:

2144. The Division of Licensing may make an independent investigation of the educational qualifications and the ability and standing of the applicant.

If, after this investigation and any other or further examination or investigation which the division may see fit to make on its own part, it is found that the applicant does not meet the requirements for licensure as a physician and surgeon under this chapter, then the division may deny licensure under this article.

SEC. 23.7. Section 2265 of the Business and Professions Code is amended to read:

2265. The supervision, use, or employment of a physician's assistant who is licensed or practicing under interim approval, without the approval of the Division of Allied Health Professions, constitutes unprofessional conduct.

SEC. 24. Section 2406 of the Business and Professions Code is amended to read:

2406. A medical corporation or podiatry corporation is a corporation which is authorized to render professional services, as defined in Sections 13401 and 13401.5 of the Corporations Code, so long as that corporation and its shareholders, officers, directors and employees rendering professional services who are physicians, psychologists, registered nurses, optometrists, podiatrists or, in the case of a medical corporation only, physician assistants, are in compliance with the Moscone-Knox Professional Corporation Act, the provisions of this article and all other statutes and regulations now or hereafter enacted or adopted pertaining to the corporation and the conduct of its affairs.

With respect to a medical corporation or podiatry corporation, the governmental agency referred to in the Moscone-Knox Professional Corporation Act is the Division of Licensing.

SEC. 25. Section 2415 of the Business and Professions Code is amended to read:

2415. (a) Any physician and surgeon or any doctor of podiatric medicine, as the case may be, who as a sole proprietor, or in a partnership, group, or professional corporation, desires to practice under any name that would otherwise be a violation of Section 2285 may practice under that name if the proprietor, partnership, group,

or corporation obtains and maintains in current status a fictitious-name permit issued by the Division of Licensing, or, in the case of doctors of podiatric medicine, the California Board of Podiatric Medicine, under the provisions of this section.

(b) The division or the board shall issue a fictitious-name permit authorizing the holder thereof to use the name specified in the permit in connection with his, her, or its practice if the division or the board finds to its satisfaction that:

(1) The applicant or applicants or shareholders of the professional corporation hold valid and current licenses as physicians and surgeons or doctors of podiatric medicine, as the case may be.

(2) The professional practice of the applicant or applicants is wholly owned and entirely controlled by the applicant or applicants.

(3) The name under which the applicant or applicants propose to practice is not deceptive, misleading, or confusing, and contains one of the following designations: "medical group," "medical clinic," "medical corporation," "medical associates," "medical center," or "medical office." In the case of doctors of podiatric medicine, the same designations may be used substituting the words "podiatric medical," "podiatric surgical," "podiatry," or "podiatrists" for the word "medical," or the designations "foot clinic" or "foot and ankle clinic" may be used.

(c) This section shall not apply to licensees who contract with, are employed by, or are on the staff of, any clinic licensed by the State Department of Health Services under Chapter 1 (commencing with Section 1200) of Division 2 of the Health and Safety Code or any medical school approved by the division or a faculty practice plan connected with such a medical school.

(d) Fictitious-name permits issued under this section shall be subject to Article 19 (commencing with Section 2420) pertaining to renewal of licenses, except the division shall establish procedures for the renewal of fictitious-name permits every two years on an anniversary basis. For the purpose of the conversion of existing permits to this schedule the division may fix prorated renewal fees.

(e) The division or the board may revoke or suspend any permit issued if it finds that the holder or holders of the permit are not in compliance with the provisions of this section or any regulations adopted pursuant to this section. A proceeding to revoke or suspend a fictitious-name permit shall be conducted in accordance with Section 2230.

(f) A fictitious-name permit issued to any licensee in a sole practice is automatically revoked in the event the licensee's certificate to practice medicine or podiatric medicine is revoked.

(g) The division or the board may delegate to the executive director, or to another official of the board, its authority to review and approve applications for fictitious-name permits and to issue those permits.

(h) The California Board of Podiatric Medicine shall administer and enforce this section as to doctors of podiatric medicine.

SEC. 26. Section 2423 of the Business and Professions Code is amended to read:

2423. (a) Notwithstanding Section 2422:

(1) All physician and surgeon's certificates, certificates to practice podiatric medicine, registrations of spectacle lens dispensers and contact lens dispensers, certificates of drugless practitioners, and certificates to practice midwifery shall expire at 12 midnight on the last day of the birth month of the licensee during the second year of a two-year term if not renewed.

(2) Registrations of dispensing opticians will expire at midnight on the last day of the month in which the license was issued during the second year of a two-year term if not renewed.

(b) The Division of Licensing shall establish by regulation procedures for the administration of a birth date renewal program, including, but not limited to, the establishment of a system of staggered license expiration dates such that a relatively equal number of licenses expire monthly.

(c) To renew an unexpired license, the licensee shall, on or before the dates on which it would otherwise expire, apply for renewal on a form prescribed by the licensing authority and pay the prescribed renewal fee.

SEC. 26.5. Section 2427 of the Business and Professions Code is amended to read:

2427. (a) Except as provided in Section 2429, a license which has expired may be renewed at any time within five years after its expiration on filing an application for renewal on a form prescribed by the licensing authority and payment of all accrued renewal fees and any other fees required by Section 2424. If the license is not renewed within 30 days after its expiration, the licensee, as a condition precedent to renewal, shall also pay the prescribed delinquency fee, if any. Except as provided in Section 2424, renewal under this section shall be effective on the date on which the renewal application is filed, on the date on which the renewal fee or accrued renewal fees are paid, or on the date on which the delinquency fee or the delinquency fee and penalty fee, if any, are paid, whichever last occurs. If so renewed, the license shall continue in effect through the expiration date set forth in Section 2422 or 2423 which next occurs after the effective date of the renewal, when it shall expire and become invalid if it is not again renewed.

(b) Notwithstanding subdivision (a), the license of a doctor of podiatric medicine which has expired may be renewed at any time within three years after its expiration on filing an application for renewal on a form prescribed by the licensing authority and payment of all accrued renewal fees and any other fees required by Section 2424. If the license is not renewed within 30 days after its expiration, the licensee, as a condition precedent to renewal, shall also pay the prescribed delinquency fee, if any. Except as provided in Section 2424, renewal under this section shall be effective on the date on which the renewal application is filed, on the date on which

the renewal fee or accrued renewal fees are paid, or on the date on which the delinquency fee or the delinquency fee and penalty fee, if any, are paid, whichever last occurs. If so renewed, the license shall continue in effect through the expiration date set forth in Section 2422 or 2423 which next occurs after the effective date of the renewal, when it shall expire and become invalid if it is not again renewed.

SEC. 27. Section 2428 of the Business and Professions Code is amended to read:

2428. (a) A person who fails to renew his or her license within five years after its expiration may not renew it, and it may not be reissued, reinstated, or restored thereafter, but such person may apply for and obtain a new license if he or she:

(1) Has not committed any acts or crimes constituting grounds for denial of licensure under Division 1.5 (commencing with Section 475).

(2) Takes and passes the examination, if any, which would be required of him or her if application for licensure was being made for the first time, or otherwise establishes to the satisfaction of the licensing authority which passes on the qualifications of applicants for such license that, with due regard for the public interest, he or she is qualified to practice the profession or activity for which the applicant was originally licensed.

(3) Pays all of the fees that would be required if application for licensure was being made for the first time.

The licensing authority may provide for the waiver or refund of all or any part of an examination fee in those cases in which a license is issued without an examination pursuant to this section.

Nothing in this section shall be construed to authorize the issuance of a license for a professional activity or system or mode of healing for which licenses are no longer required.

(b) Subdivision (a) shall apply to persons who held licenses to practice podiatric medicine except that those persons who failed to renew their licenses within three years after its expiration may not renew it, and it may not be reissued, reinstated, or restored, except in accordance with subdivision (a).

SEC. 29. Section 2461 of the Business and Professions Code is amended to read:

2461. As used in this article:

(a) "Division" means the Division of Allied Health Professions of the Medical Board of California.

(b) "Board" means the California Board of Podiatric Medicine.

(c) "Podiatric licensing authority" refers to any officer, board, commission, committee, or department of another state that may issue a license to practice podiatric medicine.

SEC. 30. Section 2489 of the Business and Professions Code is amended to read:

2489. The division or board shall not reject an application for a certificate to practice podiatric medicine solely on the basis that the podiatric licensing authority issuing the applicant's certificate or

license permitted the applicant to take the basic science examination given by the National Board of Medical Examiners or the National Board of Podiatry Examiners, as a part of that state's qualifying examination.

SEC. 31. Section 2499 of the Business and Professions Code is amended to read:

2499. There is in the State Treasury the Board of Podiatric Medicine Fund. Notwithstanding Section 2445, the division shall report to the Controller at the beginning of each calendar month for the month preceding the amount and source of all revenue received by it on behalf of the board, pursuant to this chapter, and shall pay the entire amount thereof to the Treasurer for deposit into the fund. On and after July 1, 1981, all revenue received by the board and the division from fees authorized to be charged relating to the practice of podiatric medicine shall be deposited in the fund as provided in this section, and shall be continuously appropriated to the board to carry out the provisions of this chapter relating to the regulation of the practice of podiatric medicine.

SEC. 32. Section 2530.3 of the Business and Professions Code is amended to read:

2530.3. (a) A person represents himself or herself to be a speech-language pathologist when he or she holds himself or herself out to the public by any title or description of services incorporating the words "speech pathologist," "speech pathology," "speech therapy," "speech correction," "speech correctionist," "speech therapist," "speech clinic," "speech clinician," "language pathologist," "language pathology," "logopedics," "logopedist," "communicology," "communicologist," "aphasiologist," "voice therapy," "voice therapist," "voice pathology," or "voice pathologist," "language therapist," or "phoniatriest," or any similar titles; or when he or she purports to treat stuttering, stammering, or other disorders of speech.

(b) A person represents himself or herself to be an audiologist when he or she holds himself or herself out to the public by any title or description of services incorporating the terms "audiology," "audiologist," "audiological," "hearing clinic," "hearing clinician," "hearing therapist," or any similar titles.

SEC. 33. Section 2530.4 of the Business and Professions Code is amended to read:

2530.4. Nothing in this chapter shall be construed as authorizing a speech-language pathologist or audiologist to practice medicine, surgery, or any other form of healing, except that authorized by Section 2530.2.

SEC. 34. Section 2531.05 of the Business and Professions Code is amended to read:

2531.05. The Hearing Aid Dispensers Examining Committee shall appoint one of its members to serve as liaison to the Speech-Language Pathology and Audiology Examining Committee for the purpose of coordinating the policies of the committees

regarding the fitting or dispensing of hearing aids. The Speech-Language Pathology and Audiology Examining Committee shall notify the Hearing Aid Dispensers Examining Committee in advance of all committee business concerning the fitting or dispensing of hearing aids to facilitate the participation of the liaison member.

SEC. 35. Section 2531.2 of the Business and Professions Code is amended to read:

2531.2. The membership of the committee shall include three licensed speech-language pathologists, three licensed audiologists, and three public members one of whom is a licensed physician and surgeon, board certified in otolaryngology, and the remaining two public members who shall not be licentiates of the committee or of any board under this division or of any board referred to in the Chiropractic Act or the Osteopathic Act.

The Governor shall appoint the physician and surgeon member and the other six licensed members qualified as provided in this section. The Senate Rules Committee and the Speaker of the Assembly shall each appoint a public member, and their initial appointment shall be made to fill, respectively, the first and second public member vacancies which occur on or after January 1, 1983.

SEC. 36. Section 2531.3 of the Business and Professions Code is amended to read:

2531.3. The committee shall examine every applicant for a speech-language pathology license or an audiology license at the time and place designated by the committee in its discretion, but at least once in each year; and for that purpose may appoint qualified persons to give the whole or any portion of the examination, who shall be designated as commissioners on examination. A commissioner on examination need not be a member of the committee, but shall be subject to the same rules and regulations and shall be entitled to the same fee as if he or she were a member of the committee.

The committee shall perform all examination functions, including but not limited to, participation in uniform examination systems.

SEC. 37. Section 2535.2 of the Business and Professions Code is amended to read:

2535.2. Except as provided in Section 2535.3, a license which has expired may be renewed at any time within five years after its expiration upon filing of an application for renewal on a form prescribed by the committee and payment of the renewal fee in effect on the last regular renewal date. If the license is not renewed within 30 days after its expiration, the licensee, as a condition precedent to renewal, shall also pay the prescribed delinquency fee. Renewal under this section shall be effective on the date on which the application is filed, on the date on which the renewal fee is paid, or on the date on which the delinquency fee is paid, whichever last occurs. If so renewed, the license shall continue in effect through the expiration date provided in Section 2535, after the effective date of

the renewal, when it shall expire and become invalid if it is not again renewed.

SEC. 38. The heading of Article 7 (commencing with Section 2536) of Chapter 5.3 of Division 2 of the Business and Professions Code is amended to read:

Article 7. Speech-Language Pathology Corporations and
Audiology Corporations

SEC. 39. Section 2537.1 of the Business and Professions Code is amended to read:

2537.1. A speech-language pathology corporation or an audiology corporation shall not do or fail to do any act that the doing or failing to do would constitute unprofessional conduct under any statute or regulation now or hereafter in effect. In the conduct of its practice, it shall observe and be bound by those statutes and regulations to the same extent as a person holding a license under this chapter.

SEC. 40. Section 2537.2 of the Business and Professions Code is amended to read:

2537.2. Except as provided in Sections 13401.5 and 13403 of the Corporations Code, each shareholder, director and officer of a speech-language pathology corporation or an audiology corporation, except an assistant secretary and an assistant treasurer, shall be a licensed person as defined in Section 13401.

SEC. 41. Section 2537.3 of the Business and Professions Code is amended to read:

2537.3. The income of a speech-language pathology corporation or an audiology corporation attributable to professional services rendered while a shareholder is a disqualified person, as defined in Section 13401 of the Corporations Code, shall not in any manner accrue to the benefit of that shareholder or his or her shares in the speech-language pathology or audiology corporation.

SEC. 42. Section 2538 of the Business and Professions Code is amended to read:

2538. (a) The name of a speech-language pathology corporation under which it may render professional services shall include one of the words specified in subdivision (a) of Section 2530.3 and the word "corporation" or wording or abbreviations denoting corporate existence.

(b) The name of an audiology corporation under which it may render professional services shall include one of the words specified in subdivision (b) of Section 2530.3 and the word "corporation" or wording or abbreviations denoting corporate existence.

SEC. 43. Section 2559.2 of the Business and Professions Code is amended to read:

2559.2. (a) An individual shall apply for registration as a registered spectacle lens dispenser on forms prescribed by the division. The division shall register an individual as a registered spectacle lens dispenser upon satisfactory proof that the individual

has passed the registry examination of the American Board of Opticianry or any successor agency to that board. In the event the division should determine, after hearing, that the registry examination is not appropriate to determine entry level competence as a spectacle lens dispenser or is not designed to measure specific job performance requirements, the division may thereafter prescribe or administer a written examination that meets those specifications. If an applicant for renewal has not engaged in the full-time or substantial part-time practice of fitting and adjusting spectacle lenses within the last five years then the division may require the applicant to take and pass the examination referred to in this section as a condition of registration. Any examination prescribed or administered by the division shall be given at least twice each year on dates publicly announced at least 90 days before the examination dates. The division is authorized to contract for administration of an examination.

(b) The division may deny registration where there are grounds for denial under the provisions of Division 1.5 (commencing with Section 475).

(c) The division shall issue a certificate to each qualified individual stating that the individual is a registered spectacle lens dispenser.

(d) Any individual who had been approved as a manager of dispensing operations of a registered dispensing optician under the provisions of Section 2552 as it existed before January 1, 1988, and who had not been subject to any disciplinary action under the provisions of Section 2555.2 shall be exempt from the examination requirement set forth in this section and shall be issued a certificate as a registered spectacle lens dispenser, provided an application for that certificate is filed with the division on or before December 31, 1989.

(e) A registered spectacle lens dispenser is authorized to fit and adjust spectacle lenses at any place of business holding a certificate of registration under Section 2553 provided that the certificate of the registered spectacle lens dispenser is displayed in a conspicuous place at the place of business where he or she is fitting and adjusting.

SEC. 44. Section 2560 of the Business and Professions Code is amended to read:

2560. No individual may fit and adjust contact lenses, including plano contact lenses, unless the registration requirement of Section 2550 is complied with, and unless (a) the individual is a duly registered contact lens dispenser as provided in Section 2561 or (b) the individual performs the fitting and adjusting under the direct responsibility and supervision of a duly registered contact lens dispenser who is then present on the registered premises. In no event shall a registered contact lens dispenser supervise more than three contact lens dispenser trainees.

SEC. 45. Section 2561 of the Business and Professions Code is amended to read:

2561. An individual shall apply for registration as a registered contact lens dispenser on forms prescribed by the division. The division shall register an individual as a registered contact lens dispenser upon satisfactory proof that the individual has passed the contact lens registry examination of the National Committee of Contact Lens Examiners or any successor agency to that committee. In the event the division should ever find after hearing that the registry examination is not appropriate to determine entry level competence as a contact lens dispenser or is not designed to measure specific job performance requirements, the division may thereafter from time to time prescribe or administer a written examination that meets those specifications. If an applicant for renewal has not engaged in the full-time or substantial part-time practice of fitting and adjusting spectacle lenses within the last five years then the division may require the applicant to take and pass the examination referred to in this section as a condition of registration. Any examination administered by the division shall be given at least twice each year on dates publicly announced at least 90 days before the examination dates. The division is authorized to contract with the National Committee of Contact Lens Examiners or any successor agency to that committee to provide that the registry examination is given at least twice each year on dates publicly announced at least 90 days before the examination dates.

The division may deny registration where there are grounds for denial under the provisions of Division 1.5 (commencing with Section 475).

The division shall issue a certificate to each qualified individual stating that the individual is a registered contact lens dispenser.

A registered contact lens dispenser may use that designation, but shall not hold himself or herself out in advertisements or otherwise as a specialist in fitting and adjusting contact lenses.

SEC. 46. Section 2604 of the Business and Professions Code is amended to read:

2604. The members of the committee shall be appointed for a term of four years, expiring on the first day of June of each year.

The Governor shall appoint one of the public members and the three physical therapist members of the committee qualified as provided in Section 2603. The Senate Rules Committee and the Speaker of the Assembly shall each appoint a public member, and their initial appointment shall be made to fill, respectively, the first and second public member vacancies which occur on or after January 1, 1983.

Not more than one member of the committee shall be appointed from the full-time faculty of any university, college, or other educational institution.

No person may serve as a member of the committee for more than two consecutive terms. Vacancies shall be filled by appointment for the unexpired term. Annually the committee shall elect one of its members as chairperson.

The appointing power shall have the power to remove any member of the committee from office for neglect of any duty required by law or for incompetency or unprofessional or dishonorable conduct.

SEC. 47. Section 2636 of the Business and Professions Code is amended to read:

2636. Except as otherwise provided in this chapter, no person shall receive a license under this chapter without first successfully passing an examination given under the direction of the examining committee. The examination shall be in writing and conducted by persons and in the manner prescribed by the examining committee but shall be so conducted that the identity of each applicant taking an examination will be unknown to all of the examiners until all of the papers have been graded.

SEC. 48. Section 2639 of the Business and Professions Code is amended to read:

2639. Every graduate of an approved physical therapy school who has filed a physical therapy application with the committee may, between the date of receipt of notice that his or her application is on file and the date of receipt of his or her license, perform as a physical therapist under the direct and immediate supervision of a physical therapist licensed in this state. During this period such an applicant shall identify himself or herself only as a "physical therapist license applicant."

If such an applicant shall fail to take the next succeeding examination without due cause or fails to pass the examination and receive a license, all privileges under this section shall automatically cease.

SEC. 49. Section 2655.4 of the Business and Professions Code is amended to read:

2655.4. The examination for approval as a physical therapist assistant shall be given under the direction of the committee. The examination shall be in writing and shall be conducted by those persons and in a manner and under any regulations as shall be prescribed by the committee, but shall be so conducted that the identity of each applicant taking an examination will be unknown to all of the examiners until all of the examinations have been graded.

SEC. 50. Section 2655.5 of the Business and Professions Code is amended to read:

2655.5. Every applicant for approval as a physical therapist assistant who is otherwise qualified as provided in this article, and who receives a passing grade, as established by the committee on the examination shall be approved as a physical therapist assistant.

SEC. 51. Section 2655.71 of the Business and Professions Code is amended to read:

2655.71. (a) An applicant may be issued an approval without written examination if the applicant meets all of the following:

(1) He or she is at the time of his or her application approved, licensed, or registered as a physical therapist assistant in a state,

district, or territory of the United States having, in the opinion of the examining committee, requirements for approval, licensing or registration equal to or higher than those in California, and he or she has passed, to the satisfaction of the examining committee, an examination for that approval, licensing or registration that is, in the opinion of the examining committee, comparable to the examination used in this state.

(2) He or she is a graduate of a physical therapist assistant school approved by the examining committee.

(3) He or she files an application as provided in Section 2655.3.

(b) An applicant who has filed a physical therapist assistant application under this section with the examining committee may, between the date of receipt of notice that his or her application is on file and the date of receipt of approval, perform as a physical therapist assistant under the direct and immediate supervision of a physical therapist.

During this period such an applicant shall identify himself or herself only as a "physical therapist assistant applicant."

If the applicant under this section does not qualify and receive approval as provided in this section and does not qualify under Section 2655.75 all privileges under this section shall automatically cease.

SEC. 52. Section 2655.8 of the Business and Professions Code is amended to read:

2655.8. Any person, other than one who has been approved by the examining committee, who holds himself or herself out as a "physical therapist assistant" or who uses any other term indicating or implying that he or she is a physical therapist assistant, is guilty of a misdemeanor.

SEC. 53. Section 2660 of the Business and Professions Code is amended to read:

2660. The committee may, after the conduct of appropriate proceedings under the Administrative Procedure Act, suspend for not more than 12 months, or revoke, or impose probationary conditions upon, or issue subject to terms and conditions any license, certificate, or approval issued under this chapter for any of the following causes:

(a) Advertising in violation of Section 17500.

(b) Fraud in the procurement of any license under this chapter.

(c) Procuring or aiding or offering to procure or aid in criminal abortion.

(d) Conviction of a crime which substantially relates to the qualifications, functions, or duties of a physical therapist. The record of conviction or a certified copy thereof shall be conclusive evidence of that conviction.

(e) Impersonating or acting as a proxy for an applicant in any examination given under this chapter.

(f) Habitual intemperance.

(g) Addiction to the excessive use of any habit-forming drug.

(h) Gross negligence in his or her practice as a physical therapist.

(i) Conviction of a violation of any of the provisions of this chapter or of the State Medical Practice Act, or violating, or attempting to violate, directly or indirectly, or assisting in or abetting the violating of, or conspiring to violate any provision or term of this chapter or of the State Medical Practice Act.

(j) The aiding or abetting of any person to violate this chapter or any regulations duly adopted under this chapter.

(k) The aiding or abetting of any person to engage in the unlawful practice of physical therapy.

(l) The commission of any fraudulent, dishonest, or corrupt act which is substantially related to the qualifications, functions, or duties of a physical therapist.

(m) Except for good cause, the knowing failure to protect patients by failing to follow infection control guidelines of the committee, thereby risking transmission of blood-borne infectious diseases from licensee to patient, from patient to patient, and from patient to licensee. In administering this subdivision, the committee shall consider referencing the standards, regulations, and guidelines of the State Department of Health Services developed pursuant to Section 1250.11 of the Health and Safety Code and the standards, regulations, and guidelines pursuant to the California Occupational Safety and Health Act of 1973 (Part 1 (commencing with Section 6300) of Division 5 of the Labor Code) for preventing the transmission of HIV, Hepatitis B, and other blood-borne pathogens in health care settings. As necessary, the committee shall consult with the Medical Board of California, the California Board of Podiatric Medicine, the Board of Dental Examiners of California, the Board of Registered Nursing, and the Board of Vocational Nurse and Psychiatric Technician Examiners of the State of California, to encourage appropriate consistency in the implementation of this subdivision.

The committee shall seek to ensure that licensees are informed of the responsibility of licensees and others to follow infection control guidelines, and of the most recent scientifically recognized safeguards for minimizing the risk of transmission of blood-borne infectious diseases.

SEC. 54. Section 2666 of the Business and Professions Code is amended to read:

2666. (a) Criteria for acceptance into the diversion program shall include all of the following:

(1) The applicant shall be licensed as a physical therapist or approved as a physical therapist assistant by the committee and shall be a resident of California.

(2) The applicant shall be found to abuse dangerous drugs or alcoholic beverages in a manner which may affect his or her ability to practice physical therapy safely or competently.

(3) The applicant shall have voluntarily requested admission to the program or shall be accepted into the program in accordance with terms and conditions resulting from a disciplinary action.

(4) The applicant shall agree to undertake any medical or psychiatric examination ordered to evaluate the applicant for participation in the program.

(5) The applicant shall cooperate with the program by providing medical information, disclosure authorizations, and releases of liability as may be necessary for participation in the program.

(6) The applicant shall agree in writing to cooperate with all elements of the treatment program designed for him or her.

Any applicant may be denied participation in the program if the committee its designee, or a diversion evaluation committee, as the case may be, determines that the applicant will not substantially benefit from participation in the program or that the applicant's participation in the program creates too great a risk to the public health, safety, or welfare.

(b) A participant may be terminated from the program for any of the following reasons:

(1) The participant has successfully completed the treatment program.

(2) The participant has failed to comply with the treatment program designated for him or her.

(3) The participant fails to meet any of the criteria set forth in subdivision (a) or (c).

(4) It is determined that the participant has not substantially benefited from participation in the program or that his or her continued participation in the program creates too great a risk to the public health, safety, or welfare. Whenever an applicant is denied participation in the program or a participant is terminated from the program for any reason other than the successful completion of the program, and it is determined that the continued practice of physical therapy by that individual creates too great a risk to the public health, safety, and welfare, that fact shall be reported to the executive officer of the committee and all documents and information pertaining to and supporting that conclusion shall be provided to the executive officer. The matter may be referred for investigation and disciplinary action by the committee. Each physical therapist or physical therapy assistant who requests participation in a diversion program shall agree to cooperate with the recovery program designed for him or her. Any failure to comply with that program may result in termination of participation in the program.

The diversion evaluation committee shall inform each participant in the program of the procedures followed in the program, of the rights and responsibilities of a physical therapist or physical therapist assistant in the program, and the possible results of noncompliance with the program.

(c) In addition to the criteria and causes set forth in subdivision (a), the committee may set forth in its regulations additional criteria for admission to the program or causes for termination from the program.

SEC. 55. Section 2673 of the Business and Professions Code is repealed.

SEC. 57. Section 2688.5 is added to the Business and Professions Code, to read:

2688.5. The committee shall submit a report to the fiscal and appropriate policy committees of the legislature whenever the committee increases any fee. The report shall specify the justification for the increase and the percentage of the fee increase to be used for enforcement purposes.

SEC. 57.5. Section 2732.1 of the Business and Professions Code is amended to read:

2732.1. (a) An applicant for license by examination shall submit a written application in the form prescribed by the board.

Upon approval of the application, the board may issue an interim permit authorizing the applicant to practice nursing pending the results of the first licensing examination following completion of his or her nursing course or for a maximum period of six months, whichever occurs first.

If the applicant passes the examination, the interim permit shall remain in effect until a regular renewable license is issued by the board. If the applicant fails the examination, the interim permit shall terminate upon notice thereof by first-class mail.

(b) The board upon written application may issue a license without examination to any applicant who is licensed or registered as a nurse in a state, district or territory of the United States or Canada having, in the opinion of the board, requirements for licensing or registration equal to or higher than those in California at the time the application is filed with the Board of Registered Nursing, if he or she has passed an examination for the license or registration that is, in the board's opinion, comparable to the board's examination, and if he or she meets all the other requirements set forth in Section 2736.

(c) Each application shall be accompanied by the fee prescribed by this chapter for the filing of an application for a regular renewable license.

The interim permit shall terminate upon notice thereof by first-class mail, if it is issued by mistake or if the application for permanent licensure is denied.

SEC. 58. Section 2733 of the Business and Professions Code is amended to read:

2733. (a) Upon approval of an application filed pursuant to subdivision (b) of Section 2732.1, and upon the payment of the fee prescribed by subdivision (k) of Section 2815, the board may issue a temporary license to practice professional nursing, and a temporary certificate to practice as a certified nurse midwife, certified nurse practitioner, certified public health nurse, or certified nurse anesthetist for a period of six months from the date of issuance.

A temporary license or temporary certificate shall terminate upon notice thereof by certified mail, return receipt requested, if it is

issued by mistake or if the application for permanent licensure is denied.

(b) Upon written application, the board may reissue a temporary license or temporary certificate to any person who has applied for a regular renewable license pursuant to subdivision (b) of Section 2732.1 and who, in the judgment of the board has been excusably delayed in completing his or her application for or the minimum requirements for a regular renewable license, but the board may not reissue a temporary license or temporary certificate more than twice to any one person.

SEC. 59. Section 2739 of the Business and Professions Code is repealed.

SEC. 60. Section 2741 of the Business and Professions Code is amended to read:

2741. Notwithstanding Section 135, an applicant who fails to pass the examination may be reexamined within that period of time as the board, by regulation, deems appropriate, but not more frequently than once every three months. An application for reexamination shall be accompanied by the fees prescribed by this chapter.

SEC. 61. Section 2761 of the Business and Professions Code is amended to read:

2761. The board may take disciplinary action against a certified or licensed nurse or an applicant for a certificate or license for any of the following:

(a) Unprofessional conduct, which includes, but is not limited to, the following:

(1) Incompetence, or gross negligence in carrying out usual nursing functions or nurse anesthetist functions.

(2) A conviction of practicing medicine without a license in violation of Chapter 5 (commencing with Section 2000), in which event the record of conviction shall be conclusive evidence thereof.

(3) The use of advertising relating to nursing which violates Section 17500.

(4) Denial of licensure, revocation, suspension, restriction, or any other disciplinary action against a health care professional license or certificate by another state or territory of the United States, by any other government agency, or by another California health care professional licensing board. A certified copy of the decision or judgment, shall be conclusive evidence of that action.

(b) Procuring his or her certificate by fraud, misrepresentation, or mistake.

(c) Procuring, or aiding, or abetting, or attempting, or agreeing, or offering to procure or assist at a criminal abortion.

(d) Violating or attempting to violate, directly or indirectly, or assisting in or abetting the violating of, or conspiring to violate any provision or term of this chapter or regulations adopted pursuant to it.

(e) Making or giving any false statement or information in connection with the application for issuance of a license.

(f) Conviction of a felony or of any offense substantially related to the qualifications, functions, and duties of a registered nurse, in which event the record of the conviction shall be conclusive evidence thereof.

(g) Impersonating any applicant or acting as proxy for an applicant in any examination required under this chapter for the issuance of a license.

(h) Impersonating another licensed practitioner, or permitting or allowing another person to use his or her certificate for the purpose of nursing the sick or afflicted.

(i) Aiding or assisting, or agreeing to aid or assist any person or persons, whether a licensed physician or not, in the performance of, or arranging for, a violation of any of the provisions of Article 12 (commencing with Section 2221) of Chapter 5.

(j) Holding oneself out to the public or to any practitioner of the healing arts as a "nurse practitioner" or as meeting the standards established by the board for a nurse practitioner unless meeting the standards established by the board pursuant to Article 8 (commencing with Section 2834).

(k) Except for good cause, the knowing failure to protect patients by failing to follow infection control guidelines of the board, thereby risking transmission of blood-borne infectious diseases from licensed or certified nurse to patient, from patient to patient, and from patient to licensed or certified nurse. In administering this subdivision, the board shall consider referencing the standards, regulations, and guidelines of the State Department of Health Services developed pursuant to Section 1250.11 of the Health and Safety Code and the standards, guidelines, and regulations pursuant to the California Occupational Safety and Health Act of 1973 (Part 1 (commencing with Section 6300), Division 5, Labor Code) for preventing the transmission of HIV, hepatitis B, and other blood-borne pathogens in health care settings. As necessary, the board shall consult with the Medical Board of California, the Board of Podiatric Medicine, the Board of Dental Examiners, and the Board of Vocational Nurse and Psychiatric Technician Examiners, to encourage appropriate consistency in the implementation of this subdivision.

The board shall seek to ensure that licentiates and others regulated by the board are informed of the responsibility of licentiates to minimize the risk of transmission of blood-borne infectious diseases from health care provider to patient, from patient to patient, and from patient to health care provider, and of the most recent scientifically recognized safeguards for minimizing the risks of transmission.

SEC. 62. Section 2892.1 of the Business and Professions Code is amended to read

2892.1. Except as provided in Sections 2892.3 and 2892.5, an expired license may be renewed at any time within four years after its expiration upon filing of an application for renewal on a form

prescribed by the board, payment of the renewal fee in effect on the date the application for renewal is filed, and payment of any fees due pursuant to Section 2895.1.

If the license is renewed more than 30 days after its expiration, the licensee, as a condition precedent to renewal, shall also pay the delinquency fee prescribed by this chapter. Renewal under this section shall be effective on the date on which the application is filed, on the date on which the renewal fee is paid, or on the date on which the delinquency fee is paid, whichever last occurs. If so renewed, the license shall continue in effect through the date provided in Section 2892 which next occurs after the effective date of the renewal, when it shall expire if it is not again renewed.

SEC. 63. Section 2895.1 is added to the Business and Professions Code, to read:

2895.1. Notwithstanding any other provision of law, an applicant for license renewal who receives his or her license after payment by a check or money order that is subsequently returned unpaid, shall not be granted a renewal until the applicant pays the amount outstanding from the returned check or money order, the applicable returned check fee, together with the applicable fee including any delinquency fee for the pending renewal. The board may require each applicant to make payment of all fees by cashier's check.

SEC. 66. Section 2927.5 of the Business and Professions Code is amended to read:

2927.5. Notice of each regular meeting of the board shall be given in accordance with the Bagley-Keene Open Meeting Act (Article 9 (commencing with Section 11120) of Chapter 1 of Part 1 of Division 3 of Title 2 of the Government Code).

SEC. 69. Section 2932 of the Business and Professions Code is amended and renumbered to read:

2927. Five members of the board shall at all times constitute a quorum.

SEC. 76. Section 2960 of the Business and Professions Code is amended to read:

2960. The board may refuse to issue any registration or license, or may issue a registration or license with terms and conditions, or may suspend or revoke the registration or license of any registrant or licensee if the applicant, registrant, or licensee has been guilty of unprofessional conduct. Unprofessional conduct shall include, but not be limited to:

(a) Conviction of a crime substantially related to the qualifications, functions or duties of a psychologist or psychological assistant.

(b) Use of any controlled substance as defined in Division 10 (commencing with Section 11000) of the Health and Safety Code, or dangerous drug, or any alcoholic beverage to an extent or in a manner dangerous to himself or herself, any other person, or the public, or to an extent that this use impairs his or her ability to perform the work of a psychologist with safety to the public.

(c) Fraudulently or neglectfully misrepresenting the type or status of license or registration actually held.

(d) Impersonating another person holding a psychology license or allowing another person to use his or her license or registration.

(e) Using fraud or deception in applying for a license or registration or in passing the examination provided for in this chapter.

(f) Paying, or offering to pay, accepting, or soliciting any consideration, compensation, or remuneration, whether monetary or otherwise, for the referral of clients.

(g) Violating Section 17500.

(h) Willful, unauthorized communication of information received in professional confidence.

(i) Violating any rule of professional conduct promulgated by the board and set forth in regulations duly adopted under this chapter.

(j) Being grossly negligent in the practice of his or her profession.

(k) Violating any of the provisions of this chapter or regulations duly adopted thereunder.

(l) The aiding or abetting of any person to engage in the unlawful practice of psychology.

(m) The suspension, revocation or imposition of probationary conditions by another state of a license or certificate to practice psychology or as a psychological assistant issued by that state to a person also holding a license or registration issued under this chapter if the act for which the disciplinary action was taken constitutes a violation of this section.

(n) The commission of any dishonest, corrupt, or fraudulent act.

(o) Any act of sexual abuse, or sexual relations with a patient, or sexual misconduct which is substantially related to the qualifications, functions or duties of a psychologist or psychological assistant.

(p) Functioning outside of his or her particular field or fields of competence as established by his or her education, training, and experience.

(q) Willful failure to submit, on behalf of an applicant for licensure, verification of supervised experience to the board.

(r) Repeated acts of negligence.

SEC. 80. Section 2984 of the Business and Professions Code is amended to read:

2984. Except as provided in Section 2985, a license which has expired may be renewed at any time within three years after its expiration on filing of application for renewal on a form prescribed by the division and payment of the renewal fee in effect on the last regular renewal date. If the license is not renewed within 30 days after its expiration, the licensee, as a condition precedent to renewal, shall also pay the prescribed delinquency fee, if any. Renewal under this section shall be effective on the date on which the application is filed, on the date on which the renewal fee is paid, or on the date on which the delinquency fee, if any, is paid, whichever last occurs. If so renewed, the license shall continue in effect through the

expiration date provided in Section 2982 which next occurs after the effective date of the renewal, when it shall expire and become invalid if it is not again renewed.

SEC. 81. Section 2986 of the Business and Professions Code is amended to read:

2986. A person who fails to renew his or her license within the three years after its expiration may not renew it, and it may not be restored, reissued, or reinstated thereafter, but that person may apply for and obtain a new license if he or she meets the requirements of this chapter provided that he or she:

(a) Has not committed any acts or crimes constituting grounds for denial of licensure.

(b) Establishes to the satisfaction of the board that with due regard for the public interest, he or she is qualified to practice psychology.

(c) Pays all of the fees that would be required if application for licensure was being made for the first time.

The board may provide for the waiver or refund of all or any part of an examination fee in those cases in which a license is issued without examination pursuant to this section.

SEC. 82. Section 2987 of the Business and Professions Code is amended to read:

2987. The amount of the fees prescribed by this chapter shall be determined by the board, and shall be as follows:

(a) The application fee for a psychologist shall not be more than fifty dollars (\$50).

(b) Until July 1, 1993, the examination fee for a psychologist shall be not more than one hundred fifty dollars (\$150). Effective July 1, 1993, the examination and reexamination fees for the written and oral examinations shall be the actual cost to the board of developing, purchasing, and grading of each examination, plus the actual cost to the board of administering each examination.

(c) The initial license fee is an amount equal to the renewal fee in effect on the last regular renewal date before the date on which the license is issued, except that if the license will expire less than one year after its issuance, then the initial license fee is an amount equal to 50 percent of the renewal fee in effect on the last regular renewal date before the date on which the license is issued.

(d) The biennial renewal fee for a psychologist shall be four hundred dollars (\$400) for the renewal periods commencing on or after January 1, 1993. The board may increase the renewal fee to an amount not to exceed five hundred dollars (\$500).

(e) The application fee for registration and supervision of a psychological assistant by a supervisor under Section 2913, which is payable by that supervisor, shall not be more than seventy-five dollars (\$75).

(f) The annual renewal fee for registration of a psychological assistant shall not be more than seventy-five dollars (\$75).

(g) The duplicate license or registration fee is five dollars (\$5).

(h) The delinquency fee is twenty-five dollars (\$25).

(i) The delinquent fee is five dollars (\$5).

Notwithstanding any other provision of law, the board may reduce any fee prescribed by this section, when, in its discretion, the board deems it administratively appropriate.

SEC. 83. Section 3057.5 is added to the Business and Professions Code, to read:

3057.5. (a) Notwithstanding any other provision of this chapter, the board shall permit a person who meets all of the following requirements to take the examination for a certificate of registration as an optometrist:

(1) Is over the age of 18 years.

(2) Is not subject to denial of a certificate under Section 480.

(3) Has a degree as a doctor of optometry issued by a university located outside of the United States.

(b) Nothing contained in this section shall be construed to prohibit the board from refusing to permit a person meeting the above requirements to take the examination if, in the opinion of the board, the course of instruction at the institution issuing him or her the degree of doctor of optometry was not reasonably equivalent to that required of applicants for the examination who have graduated from a college or university located in the United States.

(c) This section shall remain in effect until January 1, 1996, and as of that date is repealed, unless a later enacted statute, which is chaptered before January 1, 1996, deletes or extends that date.

SEC. 84. Section 3057.5 of the Business and Professions Code, as amended by Section 2 of Chapter 583 of the Statutes of 1990, is amended to read:

3057.5. (a) Notwithstanding any other provision of this chapter, the board shall permit a person who meets all of the following requirements to take the examination for a certificate of registration as an optometrist:

(1) Is over the age of 18 years.

(2) Is not subject to denial of a certificate under Section 480.

(3) Has a degree as a doctor of optometry issued by a university located outside of the United States.

(b) This section shall become operative on January 1, 1996.

SEC. 85. Section 3057.6 is added to the Business and Professions Code, to read:

3057.6. (a) Notwithstanding Section 3057.5, any individual who is over 18 years of age, is not subject to the denial of a license under Section 480, and who has a degree as a doctor of optometry issued by a university located outside of the United States, shall be sponsored by the State Board of Optometry for the National Board of Examiners of Optometry examination and, upon passing that examination, shall be permitted to take the examination for a certificate of registration as an optometrist, if that individual satisfies both of the following requirements:

(1) Was a graduate of a foreign school prior to 1980.

(2) Has been previously sponsored, or was otherwise qualified to be sponsored, by the State Board of Optometry for the National Board of Examiners of Optometry examination.

(b) This section shall remain in effect until January 1, 1996, and as of that date, is repealed, unless a later enacted statute, which is chaptered before January 1, 1996, deletes or extends that date.

SEC. 86. Section 3147.6 of the Business and Professions Code is amended to read:

3147.6. Except as otherwise provided by Section 114 of this code, a certificate which is not renewed within three years after its expiration may be restored, thereafter if no fact, circumstance, or condition exists which, if the certificate were restored, would justify its revocation or suspension provided:

(a) The holder of the expired certificate is not subject to denial of a certificate under Section 480,

(b) The holder of the expired certificate applies in writing for its restoration on a form prescribed by the board,

(c) He or she pays the fee or fees as would be required of him or her if he or she were then applying for a certificate of registration for the first time and had not previously taken the examination for a certificate,

(d) He or she takes and satisfactorily passes the clinical portion of the regular examination of applicants, or other clinical examination approved by the board, and

(e) After having taken and satisfactorily passed the clinical portion of the regular examination of applicants, or other clinical examination approved by the board, he or she pays a restoration fee equal to the renewal fee in effect on the last regular renewal date for certificates of registration.

SEC. 87. Section 3147.7 of the Business and Professions Code is amended to read:

3147.7. The provisions of Section 3147.6 shall not apply to a person holding a certificate which has not been renewed within three years of expiration, if the person provides satisfactory proof that he or she holds a license from another state and has practiced optometry in that state when his or her certificate expired. In this event, the person may renew his or her certificate in the manner provided for under Section 3147.

SEC. 88. Section 3306.5 of the Business and Professions Code is amended to read:

3306.5. In fitting hearing aids, a hearing aid dispenser shall not take facial measurements or fit, adjust, or adapt lenses or spectacle frames, except that a hearing aid dispenser may replace the temple or temples of a person's spectacle frames with a temple or temples incorporating hearing aid components.

SEC. 89. Section 3321 of the Business and Professions Code is amended to read:

3321. Each member of the committee, except the members first appointed, shall hold office for a term of four years. Each member

shall hold office until the appointment and qualification of his or her successor or until one year shall have elapsed since the expiration of the term for which he or she was appointed, whichever first occurs.

Vacancies occurring shall be filled by appointment for the unexpired term. Each member of the committee shall be eligible for reappointment in the discretion of the appointing power, provided that reappointed hearing aid dispenser members shall, at the time of the reappointment, hold a valid license under this chapter. No person may serve as a member of the committee more than two full consecutive terms.

The Governor shall appoint two of the public members and the three members qualified as provided in Section 3320. The Senate Rules Committee and the Speaker of the Assembly shall each appoint a public member, and their initial appointment shall be made to fill, respectively, the first and second public member vacancies which occur on or after January 1, 1983.

SEC. 90. Section 3354 of the Business and Professions Code is amended to read:

3354. The committee shall issue a license to all applicants who have satisfied this chapter, who are at least 18 years of age, who possess a high school diploma or its equivalent, who have not committed acts or crimes constituting grounds for denial of licensure under Section 480, and who have paid the fees provided for in Section 3456. No license shall be issued to any person other than an individual.

SEC. 91. Section 3365 of the Business and Professions Code is amended to read:

3365. A licensee shall, upon the consummation of a sale of a hearing aid, deliver to the purchaser a written receipt, signed by or on behalf of the licensee, containing all of the following:

- (a) The date of consummation of the sale.
- (b) Specifications as to the make, serial number, and model number of the hearing aid or aids sold.
- (c) The address of the principal place of business of the licensee, and the address and office hours at which the licensee shall be available for fitting or postfitting adjustments and servicing of the hearing aid or aids sold.
- (d) A statement to the effect that the aid or aids delivered to the purchaser are used or reconditioned, as the case may be, if that is the fact.
- (e) The number of the licensee's license and the name and license number of any other hearing aid dispenser or temporary licensee who provided any recommendation or consultation regarding the purchase of the hearing aid.
- (f) The terms of any guarantee or written warranty, required by Section 1793.02 of the Civil Code, made to the purchaser with respect to the hearing aid or hearing aids.

SEC. 92. Section 3402 of the Business and Professions Code is amended to read:

3402. Upon denial of an application for license, the committee shall notify the applicant in writing, stating (1) the reason for the denial and (2) that the applicant has a right to a hearing under Section 3400 if he or she makes written request therefor within 60 days after notice of denial. Service of the notice required by this section may be made by certified mail addressed to the applicant at the latest address filed by the applicant in writing with the committee in his or her application or otherwise.

SEC. 93. Section 3452 of the Business and Professions Code is amended to read:

3452. Except as otherwise provided in this chapter, an expired license may be renewed at any time within three years after its expiration on filing of an application for renewal on a form prescribed by the committee, and payment of all accrued and unpaid renewal fees. If the license is renewed more than 30 days after its expiration the licensee, as a condition precedent to renewal, shall also pay the delinquency fee prescribed by this chapter. Renewal under this section shall be effective on the date on which the application is filed, on the date on which the renewal fee is paid, or on the date on which the delinquency fee, if any, is paid, whichever last occurs. If so renewed, the license shall continue in effect through the date provided in Section 3451 which next occurs after the effective date of the renewal, when it shall expire if it is not again renewed.

SEC. 94. Section 3454 of the Business and Professions Code is amended to read:

3454. A license which is not renewed within three years after its expiration may not be renewed, restored, reissued, or reinstated thereafter, but the holder of the expired license may apply for and obtain a new license if:

(a) He or she has not committed acts or crimes constituting grounds for denial of licensure under Section 480.

(b) He or she pays all the fees which would be required of him or her if he or she were then applying for a license for the first time; and

(c) He or she takes and passes the examination which would be required of him or her if he or she were then applying for a license for the first time, or otherwise establishes to the satisfaction of the committee that he or she is qualified to engage in the practice of fitting or selling hearing aids. The committee may, by regulation, provide for the waiver or refund of all or any part of the application fee in those cases in which a license is issued without an examination under this section.

SEC. 119. The heading of Article 7 (commencing with Section 3535) of Chapter 7.7 of Division 2 of the Business and Professions Code is amended to read:

Article 7. Osteopathic Physician Assistants

SEC. 122. Section 3542 of the Business and Professions Code is amended to read:

3542. A physician assistant corporation shall not do or fail to do any act the doing of which or the failure to do which would constitute unprofessional conduct under any statute or regulation, now or hereafter in effect. In the conduct of its practice, it shall observe and be bound by these statutes and regulations to the same extent as a person holding a license under this chapter.

SEC. 123. Section 3543 of the Business and Professions Code is amended to read:

3543. The name of a physician assistant corporation and any name or names under which it may render professional services shall contain the words "physician assistant," and wording or abbreviations denoting corporate existence.

SEC. 124. Section 3544 of the Business and Professions Code is amended to read:

3544. Except as provided in Sections 13401.5 and 13403 of the Corporations Code, each shareholder, director and officer of a physician assistant corporation, except an assistant secretary and an assistant treasurer, shall be a licensed person as defined in Section 13401 of the Corporations Code.

SEC. 125. Section 3545 of the Business and Professions Code is amended to read:

3545. The income of a physician assistant corporation attributable to professional services rendered while a shareholder is a disqualified person, as defined in Section 13401 of the Corporations Code, shall not in any manner accrue to the benefit of the shareholder or his or her shares in the physician assistant corporation.

SEC. 126. Section 3546 of the Business and Professions Code is amended to read:

3546. The board may adopt and enforce regulations to carry out the purposes and objectives of this article, including regulations requiring (a) that the bylaws of a physician assistant corporation shall include a provision whereby the capital stock of the corporation owned by a disqualified person (as defined in Section 13401 of the Corporations Code), or a deceased person, shall be sold to the corporation or to the remaining shareholders of the corporation within the time as the regulations may provide, and (b) that a physician assistant corporation shall provide adequate security by insurance or otherwise for claims against it by its patients arising out of the rendering of professional services.

SEC. 130. Section 3739 of the Business and Professions Code is amended to read:

3739. (a) Except as otherwise provided in this section, every graduate of an approved respiratory care program who has filed an initial respiratory care practitioner application with the examining committee may, between the date of receipt of notice that his or her

initial application has been approved and the date of receipt of his or her license, perform as a respiratory care practitioner under the direct supervision of a respiratory care practitioner licensed in this state. During this period such an applicant shall identify himself or herself only as a "respiratory care practitioner applicant."

(b) If an applicant fails to take the next available examination without good cause, or fails to pass the examination and receive a license, all privileges under this section shall automatically cease on the date specified by the examining committee.

(c) Notwithstanding the provisions of subdivision (a) an applicant for licensure who was previously licensed by the examining committee, but who allowed his or her license to expire for more than three years, shall be allowed to practice as a respiratory care practitioner applicant under the direct supervision of a respiratory care practitioner licensed in this state between the date of notice that his or her application has been approved and the date of receipt of his or her license. During this period, such an applicant shall identify himself or herself only as a "respiratory care practitioner applicant." If for any reason, the license is not issued, all privileges under this subdivision shall cease on the date specified by the examining committee.

(d) No applicant for a respiratory care practitioner license shall be authorized to perform as a respiratory care practitioner applicant if cause exists to deny the license.

SEC. 133. Section 3751 of the Business and Professions Code is repealed.

SEC. 134. Section 3751 is added to the Business and Professions Code, to read:

3751. (a) A person whose license has been revoked or suspended, or who has been placed on probation, may petition the examining committee for reinstatement, modification, or termination of probation. The petition may be filed only after a period of time has elapsed, but not less than the following minimum periods from the effective date of the decision ordering that disciplinary action:

(1) At least three years for reinstatement of a license that has been revoked.

(2) At least two years for early termination of probation of three years or more.

(3) At least one year for modification or a condition, or reinstatement of a license revoked for mental or physical illness, or termination of probation of less than three years.

(b) The petition shall state any facts as may be required by the examining committee. The petition shall be accompanied by at least two verified recommendations from licensed health care practitioners who have personal knowledge of the professional activities of the petitioner since the disciplinary penalty was imposed.

(c) The petition may be heard by the examining committee, or

the examining committee may assign the petition to an administrative law judge for hearing.

(d) The examining committee, or the administrative law judge hearing the petition, may consider all activities of the petitioner since the disciplinary action was taken, the offense for which the petitioner was disciplined, the petitioner's activities during the time the certificate was in good standing, and the petitioner's rehabilitative efforts, general reputation for truth, and professional ability. The hearing may be continued from time to time as the examining committee or administrative law judge finds necessary.

(e) The examining committee may deny the petition for reinstatement, reinstate the license without terms and conditions, or reinstate the license with terms and conditions as it deems necessary. Where a petition is heard by an administrative law judge, the administrative law judge shall render a proposed decision to the examining committee denying the petition for reinstatement, reinstating the license without terms and conditions, or reinstating the license with terms and conditions as he or she deems necessary. The examining committee may take any action with respect to the proposed decision and petition as it deems appropriate.

(f) No petition shall be considered while the petitioner is under sentence for any criminal offense including any period during which the petitioner is on court-imposed probation or parole. No petition shall be considered while there is an accusation or a petition to revoke probation pending against the person. The examining committee may deny without a hearing or argument any petition filed pursuant to this section within a period of two years from the effective date of the prior decision following a hearing under this section.

(g) Nothing in this section shall be deemed to alter Sections 822 and 823 of the Business and Professions Code.

SEC. 136. Section 3760 of the Business and Professions Code is amended to read:

3760. (a) Except as otherwise provided in this chapter, no person shall engage in the practice of respiratory care, respiratory therapy, or inhalation therapy. For purposes of this section, engaging in the practice of respiratory care includes, but is not limited to, representations by a person whether through verbal claim, sign, advertisement, letterhead, business card, or other representation that he or she is able to perform any respiratory care service, or performance of any respiratory care service.

(b) No person whose respiratory care practitioner license has been revoked or suspended shall engage in the practice of respiratory care during the period of suspension or revocation, even though the person may continue to hold a certificate or registration issued by a private certifying entity.

(c) Except as otherwise provided in this chapter, no person may represent himself or herself to be a respiratory care practitioner, a respiratory therapist or an inhalation therapist, or use the

abbreviation or letters "R.C.P.," "R.P.," "R.T.," or "I.T.," or use any modifications or derivatives of those abbreviations or letters without a current and valid license issued under this chapter.

(d) No respiratory care practitioner applicant shall begin practice as a "respiratory care practitioner applicant" pursuant to Section 3739 until the applicant meets the applicable requirements of this chapter and obtains a valid work permit.

SEC. 139. Section 4033 of the Business and Professions Code is amended to read:

4033. "Physicians," "dentists," "pharmacists," "podiatrists," "veterinarians," "veterinary surgeons," "registered nurses," and "physician assistants" are persons authorized by a currently valid and unrevoked license to practice their respective professions in this state. "Physicians" means and includes any person holding a valid and unrevoked physician's and surgeon's certificate or certificate to practice medicine and surgery, issued by the Medical Board of California or the Osteopathic Medical Board of California, and includes an unlicensed person lawfully practicing medicine pursuant to Section 2065, when acting within the scope of that section.

SEC. 140. Section 4035.4 of the Business and Professions Code is amended to read:

4035.4. No person other than a registered pharmacist, as defined in Section 4037, or an intern pharmacist, as defined in Section 4038.1, an exempt person, as specified in Section 4050.8, or an authorized officer of the law or a person authorized to prescribe, as provided in Section 4036, shall be permitted in that area, place, or premises described in the permit issued by the board pursuant to Section 4034.5 wherein dangerous devices as therein defined are stored, possessed, prepared, manufactured, or repacked, except that a registered pharmacist or exemptee shall be responsible for any individual who enters the medical device retailer as described in Section 4034.5 for the purposes of receiving fitting or consultation from the pharmacist or exemptee or any person performing clerical, inventory control, housekeeping, delivery, maintenance, or similar functions relating to the medical device retailer. The registered pharmacist or exemptee shall remain present in the medical device retailer any time an individual is present who is seeking a fitting or consultation. However, an exemptee need not be present on the premises of a medical device retailer at all times of operation and need not be present in a warehouse facility owned by a medical device retailer unless the board establishes that requirement by regulation based upon the need to protect the public. The exemptee need not be present if the dangerous devices are stored in a secure locked area, under the exclusive control of the exemptee, and unavailable for dispensing.

A "warehouse" as used in this section, is a facility owned by a medical device retailer which is used for storage only. There shall be no fitting, display or sales at the location. A pharmacist or exemptee shall be designated as "in charge" of a warehouse but need not be

present during operation. The pharmacist or exemptee may permit others to possess a key to the warehouse.

Notwithstanding the remainder of this section, a medical device retailer may establish a locked facility, meeting the requirements of Section 4050.8, for furnishing dangerous devices to patients having prescriptions for dangerous devices in emergencies or after working hours.

The board may by regulation establish reasonable security measures consistent with this section in order to prevent unauthorized persons from gaining access to the area, place, or premises or to the dangerous devices therein.

The board may by regulation establish a list of those dangerous devices which may be maintained, dispensed, sold, or furnished only by a pharmacist in a pharmacy. In establishing or modifying that list, the board shall consider factors, including, but not limited to:

- (a) The potential for abuse or spread of illness.
- (b) The danger to the public if the device is not so restricted.
- (c) The potential danger to minors if the device is not so restricted.

The board may, by regulation, establish labeling requirements for dangerous devices sold, fitted, or dispensed by a medical device retailer as it deems necessary for the protection of the public.

SEC. 141. Section 4036 of the Business and Professions Code is amended to read:

4036. (a) "Prescription" means an oral order or an electronic transmission prescription given individually for the person or persons for whom prescribed, directly from the prescriber to the furnisher, or indirectly by means of a written order, signed by the prescriber, and shall bear the name or names and address of the patient or patients, the name and quantity of the drug or device prescribed, directions for use, and the date of issue, and either rubber stamped, typed, or printed by hand or typeset the name, address, and telephone number of the prescriber, his or her license classification, and his or her federal registry number, if a controlled substance is prescribed, and a legible, clear notice of the condition for which the drug is being prescribed, if requested by the patient or patients. No person other than a physician, dentist, podiatrist, or veterinarian, shall prescribe or write a prescription.

Nothing in the amendments made to this section at the 1969 Regular Session of the Legislature shall be construed as expanding or limiting the right which a chiropractor, while acting within the scope of his or her license, may have to prescribe a device.

The use of commonly used abbreviations shall not invalidate an otherwise valid prescription.

(b) Notwithstanding subdivision (a), a written order of the prescriber for a dangerous drug, except for any Schedule II controlled substance, which contains at least the name and signature of the prescriber, the name or names and address of the patient or patients in a manner consistent with paragraph (3) of subdivision (b)

of Section 11164 of the Health and Safety Code, the name and quantity of the drug prescribed, directions for use, and the date of issue may be treated as a prescription by the dispensing pharmacist so long as any additional information required by subdivision (a) is readily retrievable in the pharmacy. In the event of a conflict between the provisions of this subdivision and Section 11164 of the Health and Safety Code, the provisions of Section 11164 shall prevail.

(c) Except as provided in Section 4036.1, an oral or electronic transmission prescription shall as soon as practicable be reduced to writing by the pharmacist and shall be filled by, or under the direction of, the pharmacist. The pharmacist need not reduce to writing the address, telephone number, license classification, federal registry number of the prescriber, or the address of the patient or patients if the information is readily retrievable in the pharmacy.

(d) "Electronic transmission prescription" includes both image and data prescriptions. "Electronic image transmission prescription" is any prescription order for which a facsimile of the order is received by a pharmacy from a licensed prescriber. "Electronic data transmission prescription" is any prescription order, other than an electronic image transmission prescription, that is electronically transmitted from a licensed prescriber to a pharmacy.

SEC. 142. Section 4036.2 of the Business and Professions Code is amended to read:

4036.2. Notwithstanding any other provision of law, a prescriber may authorize his or her authorized agent on his or her behalf to orally or electronically transmit a prescription to the furnisher. The furnisher shall record the name of the authorized agent of the prescriber who transmits the order.

This section shall not apply to orders for Schedule II controlled substances as defined in Division 10 (commencing with Section 11000) of the Health and Safety Code.

SEC. 143. Section 4036.3 of the Business and Professions Code is amended to read:

4036.3. No prescription for a controlled substance transmitted by means of an oral or electronically transmitted order shall be furnished to any person unknown and unable to properly establish his or her identity. The board may by regulation establish procedures to prevent unauthorized persons from receiving prescription drugs furnished to a patient or a representative of the patient.

SEC. 144. Section 4036.4 of the Business and Professions Code is amended to read:

4036.4. Notwithstanding any other provision of law, a registered pharmacist, registered nurse, licensed vocational nurse, licensed psychiatric technician, or other healing arts licentiate, if so authorized by administrative regulation, who is employed by or serves as a consultant for a licensed skilled nursing, intermediate care or other health care facility, may orally or electronically transmit to the furnisher a prescription lawfully ordered by a person authorized to prescribe drugs or devices pursuant to Section 4036. The furnisher

shall record the name of the person who transmits the order. This section shall not apply to orders for Schedule II controlled substances as defined in Division 10 (commencing with Section 11000) of the Health and Safety Code.

In enacting this section, the Legislature recognizes and affirms the role of the Department of Health Services in regulating drug order processing requirements for licensed health care facilities as set forth in Title 22 of the California Administrative Code as they may be amended from time to time.

SEC. 144.5. Section 4050.8 of the Business and Professions Code is amended to read:

4050.8. Section 4050 shall not prohibit a medical device retailer from selling or dispensing dangerous devices if the board finds that sufficient, qualified supervision is employed by the medical device retailer to adequately safeguard and protect the public health. Each person applying for an exemption shall meet the following requirements to obtain and maintain that exemption:

(a) The medical device retailer shall be in charge of an exempt person who has taken and passed an examination administered by the board and whose certificate of exemption is currently valid.

(b) The exempt person shall be on the premises at all times dangerous devices are available for sale or fitting unless dangerous devices are stored separately from other merchandise and are under the exclusive control of the exemptee. An exemptee need not be present in the warehouse facility of a medical device retailer unless the board establishes that requirement by regulation based upon the need to protect the public.

(c) No renewal certificate shall be issued by the board to an exempt person unless he or she submits proof satisfactory to the board of completion of board approved courses of home health education during the year preceding the application for renewal consisting of the number of hours, not to exceed five hours, designated by the board. The board may require a certificate holder to complete more than five hours of coursework as a condition in connection with any disciplinary action taken against the holder.

(d) Each premises maintained by a medical device retailer shall have a permit issued by the board and shall have an exempt person on the premises if dangerous devices are furnished, sold, or dispensed.

(e) A medical device retailer may establish locked storage (a lock box or locked area) for emergency or after working hours furnishing of dangerous devices. Locked storage may be installed or placed in a service vehicle of the medical device retailer for emergency or after hours service to patients having prescriptions for dangerous devices.

(f) The board may, by regulation, authorize an exempt person to direct an employee of the medical device retailer who operates the service vehicle equipped with locked storage described in subdivision (e) to deliver a dangerous device from the locked storage

to patients having prescriptions for dangerous devices. These regulations shall establish inventory requirements for the locked storage by an exempt person to take place shortly after a dangerous device has been delivered from the locked storage to a patient.

SEC. 145. Section 4390.5 of the Business and Professions Code is amended to read:

4390.5. Every person who, in order to obtain any drug, falsely represents himself or herself to be a physician or other person who can lawfully prescribe the drug, or falsely represents that he or she is acting on behalf of a person who can lawfully prescribe the drug, in a telephone communication or electronic communication with a registered pharmacist, shall be punished by imprisonment in the county jail for not more than one year.

SEC. 146. Section 4510 of the Business and Professions Code is amended to read:

4510. The board shall issue a psychiatric technician's license to each applicant who qualifies therefor, and, if required to take it, successfully passes the examination given pursuant to this chapter. The board shall also issue a psychiatric technician's license to each holder of a psychiatric technician license who qualifies for renewal pursuant to this chapter and who applies for renewal.

After the applicant passes the examination and upon receipt by the board of the initial license fee required by subdivision (e) of Section 4548, the board may issue a receipt or temporary certificate that shall serve as a valid permit for the licensee to practice under this chapter.

SEC. 147. Section 4521 of the Business and Professions Code is amended to read:

4521. The board may suspend or revoke a license issued under this chapter for any of the following reasons:

(a) Unprofessional conduct, which includes but is not limited to any of the following:

(1) Incompetence or gross negligence in carrying out usual psychiatric technician functions.

(2) A conviction of practicing medicine without a license in violation of Chapter 5 (commencing with Section 2000) of Division 2, the record of conviction being conclusive evidence thereof.

(3) The use of advertising relating to psychiatric technician services which violates Section 17500.

(4) Obtain or possess in violation of law, or prescribe, or except as directed by a licensed physician and surgeon, dentist, or podiatrist administer to himself or herself or furnish or administer to another, any controlled substance as defined in Division 10 (commencing with Section 11000) of the Health and Safety Code or any dangerous drug as defined in Article 8 (commencing with Section 4210) of Chapter 9 of Division 2.

(5) Use any controlled substance as defined in Division 10 (commencing with Section 11000) of the Health and Safety Code, or any dangerous drug as defined in Article 8 (commencing with Section 4210) of Chapter 9 of Division 2, or alcoholic beverages, to

an extent or in a manner dangerous or injurious to himself or herself, any other person, or the public or to the extent that the use impairs his or her ability to conduct with safety to the public the practice authorized by his or her license.

(6) Be convicted of a criminal offense involving the falsification of records concerning prescription, possession, or consumption of any of the substances described in paragraphs (4) and (5), in which event the record of the conviction is conclusive evidence of the conviction. The board may inquire into the circumstances surrounding the commission of the crime in order to fix the degree of discipline.

(7) Be committed or confined by a court of competent jurisdiction for intemperate use of or addiction to the use of any of the substances described in paragraphs (4) and (5), in which event the court order of commitment or confinement is prima facie evidence of the commitment or confinement.

(8) Falsify, or make grossly incorrect, grossly inconsistent, or unintelligible entries in any hospital, patient, or other record pertaining to the substances described in paragraph (4).

(b) Procuring a certificate or license by fraud, misrepresentation, or mistake.

(c) Procuring, or aiding, or abetting, or attempting, or agreeing or offering to procure or assist at a criminal abortion.

(d) Violating or attempting to violate, directly or indirectly, or assisting in or abetting the violation of, or conspiring to violate any provision or terms of this chapter.

(e) Giving any false statement or information in connection with an application.

(f) Conviction of any offense substantially related to the qualifications, functions, and duties of a psychiatric technician, in which event the record of the conviction shall be conclusive evidence of the conviction. The board may inquire into the circumstances surrounding the commission of the crime in order to fix the degree of discipline.

(g) Impersonating any applicant or acting as proxy for an applicant in any examination required by this chapter.

(h) Impersonating another practitioner, or permitting another person to use his or her certificate or license.

(i) The use of excessive force upon or the mistreatment or abuse of any patient.

(j) Aiding or assisting, or agreeing to aid or assist any person or persons, whether a licensed physician or not, in the performance of or arranging for a violation of any of the provisions of Article 12 (commencing with Section 2220) of Chapter 5 of Division 2.

(k) Failure to maintain confidentiality of patient medical information, except as disclosure is otherwise permitted or required by law.

(l) The commission of any act punishable as a sexually related crime, if that act is substantially related to the duties and functions of the licensee.

(m) The commission of any act involving dishonesty, when that action is substantially related to the duties and functions of the licensee.

(n) Except for good cause, the knowing failure to protect patients by failing to follow infection control guidelines, thereby risking transmission of blood-borne infectious diseases from licensee to patient, from patient to patient, and from patient to licensee. In administering this subdivision, the board shall consider the standards, regulations, and guidelines of the State Department of Health Services developed pursuant to Section 1250.11 of the Health and Safety Code and the standards, guidelines, and regulations pursuant to the California Occupational Safety and Health Act of 1973 (Part 1 (commencing with Section 6300) of Division 5 of the Labor Code) for preventing the transmission of HIV, hepatitis B, and other blood-borne pathogens in health care settings. As necessary, the board shall consult with the California Medical Board, the Board of Dental Examiners, and the Board of Registered Nursing, to encourage appropriate consistency in the implementation of this section.

The board shall seek to ensure that licentiates and others regulated by the board are informed of the responsibility of licentiates and others to follow infection control guidelines, and of the most recent scientifically recognized safeguards for minimizing the risk of transmission of blood-borne infectious diseases.

SEC. 148. Section 4545 of the Business and Professions Code is amended to read:

4545. Except as provided in Section 4545.2, a license which has expired may be renewed at any time within four years after its expiration on filing an application for renewal on a form prescribed by the board, and payment of the renewal fee in effect on the date the application for renewal was filed, and payment of all fees required by this chapter. If the license is renewed more than 30 days after its expiration, the holder, as a condition precedent to renewal, shall also pay the delinquency fee prescribed by this chapter. Renewal under this section shall be effective on the date on which the application is filed, on the date on which the renewal fee is paid, or on the date on which the delinquency fee, if any, is paid, whichever last occurs. If so renewed, the license shall continue in effect through the date provided in Section 4544 which next occurs after the effective date of the renewal, when it shall expire if it is not again renewed.

A certificate which was forfeited for failure to renew under the law in effect before October 1, 1961, shall, for the purposes of this article, be considered to have expired on the date that it became forfeited.

SEC. 149. Section 4546 of the Business and Professions Code is amended to read:

4546. The board shall report each month to the Controller the amount and source of all revenue received by it pursuant to this chapter and at the same time pay the entire amount thereof into the

State Treasury for credit to the Vocational Nurse and Psychiatric Technician Examiners Fund. The board shall not maintain a reserve balance greater than three months of the appropriated operating expenditures of the board in any fiscal year.

SEC. 172. Section 4933 of the Business and Professions Code is amended to read:

4933. (a) The committee shall administer this chapter.

(b) The committee may adopt, amend, or repeal, in accordance with the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code), regulations as may be necessary to enable it to carry into effect the provisions of law relating to the practice of acupuncture. All regulations adopted, amended, or repealed by the committee shall be subject to the review and approval of the board.

(c) A majority of the appointed members of the committee shall constitute a quorum to conduct business.

(d) It shall require an affirmative vote of a majority of those present at a meeting of the committee to take any action or pass any motion.

SEC. 173. Section 4935 of the Business and Professions Code is amended to read:

4935. (a) Any person who practices acupuncture or holds himself or herself out as practicing or engaging in the practice of acupuncture, unless he or she possesses an acupuncturist's license, is guilty of a misdemeanor.

(b) A person holds himself or herself out as engaging in the practice of acupuncture by the use of any title or description of services incorporating the words "acupuncture," "acupuncturist," "certified acupuncturist," "licensed acupuncturist," "oriental medicine," or any combination of those words, phrases, or abbreviations of those words or phrases, or by representing that he or she is trained, experienced, or an expert in the field of acupuncture, oriental medicine, or Chinese medicine.

(c) Subdivision (a) shall not prohibit a person from administering acupuncture treatment as part of his or her educational training when he or she:

(1) Is engaged in a course or tutorial program in acupuncture, as provided in this chapter; or

(2) Is a graduate of a school of acupuncture approved by the committee and participating in a postgraduate review course that does not exceed three months in duration at a school approved by the board.

SEC. 174. Section 4940 of the Business and Professions Code is amended to read:

4940. (a) In approving tutorial programs under Section 4939, the committee may approve programs served under an approved supervising acupuncturist.

(b) An acupuncturist shall be approved to supervise a trainee, provided the supervisor meets the following conditions:

(1) Is licensed to practice acupuncture in this state and that license is current, valid, and has not been suspended or revoked or otherwise subject to disciplinary action.

(2) Has filed an application with the committee.

(3) Files with the committee the name of each trainee to be trained or employed and a training program satisfactory to the committee.

(4) Does not train or employ more than two acupuncture trainees at any one time.

(5) Has at least 10 years of experience practicing as an acupuncturist and has been licensed in this state for at least five years.

(6) Is found by the committee to have the knowledge necessary to educate and train the trainee in the practice of an acupuncturist.

The amendments made to this section at the 1993 portion of the 1993-94 Regular Session of the Legislature shall not affect the approval of any supervising acupuncturist which has been issued prior to the effective date of those amendments.

SEC. 175. Section 4949 of the Business and Professions Code is amended to read:

4949. The provisions of this chapter shall not prohibit an acupuncturist from another state or country, who is not a licensed acupuncturist in this state, who is the invited guest of a professional acupuncture association or scientific acupuncture foundation, an acupuncture training program that is approved under Section 4939, or a continuing education provider that is approved under Section 4945, solely from engaging in professional education through lectures, clinics, or demonstrations. The guest acupuncturist may engage in the practice of acupuncture in conjunction with these lectures, clinics, or demonstrations for a maximum of six months, but may not open an office or appoint a place to meet patients or receive calls from patients or otherwise engage in the practice of acupuncture.

SEC. 176. Section 4955 of the Business and Professions Code is amended to read:

4955. The committee may deny, suspend, or revoke, or impose probationary conditions upon, the license of any acupuncturist if he or she is guilty of unprofessional conduct which has endangered or is likely to endanger the health, safety, or welfare of the public.

Unprofessional conduct shall include the following:

(a) Securing a license by fraud or deceit.

(b) Committing a fraudulent or dishonest act as an acupuncturist resulting in substantial injury to another.

(c) Using any controlled substance as defined in Division 10 (commencing with Section 11000) of the Health and Safety Code, or dangerous drug or alcoholic beverage to an extent or in a manner dangerous to himself or herself, or to any other person, or to the public, and to an extent that the use impairs his or her ability to engage in the practice of acupuncture with safety to the public.

(d) Conviction of a crime substantially related to the qualifications, functions, or duties of an acupuncturist, the record of conviction being conclusive evidence thereof.

(e) Improper advertising.

(f) Violating or conspiring to violate the terms of this chapter.

(g) Gross negligence.

(h) Repeated negligent acts.

(i) Incompetence.

(j) Except for good cause, the knowing failure to protect patients by failing to follow infection control guidelines of the committee, thereby risking transmission of blood-borne infectious diseases from licensee to patient, from patient to patient, and from patient to licensee. In administering this subdivision, the committee shall consider referencing the standards, regulations, and guidelines of the State Department of Health Services developed pursuant to Section 1250.11 of the Health and Safety Code and the standards, regulations, and guidelines pursuant to the California Occupational Safety and Health Act of 1973 (Part 1 (commencing with Section 6300) of Division 5 of the Labor Code) for preventing the transmission of HIV, hepatitis B, and other blood-borne pathogens in health care settings. As necessary, the committee shall consult with the Medical Board of California, the California Board of Podiatric Medicine, the Board of Dental Examiners of the State of California, the Board of Registered Nursing, and the Board of Vocational Nurse and Psychiatric Technician Examiners, to encourage appropriate consistency in the implementation of this subdivision.

The committee shall seek to ensure that licensees are informed of the responsibility of licensees and others to follow infection control guidelines, and of the most recent scientifically recognized safeguards for minimizing the risk of transmission of blood-borne infectious diseases.

SEC. 177. Section 4956 of the Business and Professions Code is amended to read:

4956. A plea or verdict of guilty or a conviction following a plea of nolo contendere made to a charge which is substantially related to the qualifications, functions, or duties of an acupuncturist is deemed to be a conviction within the meaning of this chapter.

The committee may order a license suspended or revoked, or may deny a license, or may impose probationary conditions upon a license, when the time for appeal has elapsed, or the judgment of conviction has been affirmed on appeal, or when an order granting probation is made suspending the imposition of sentence irrespective of a subsequent order under the provisions of Section 1203.4 of the Penal Code allowing the person to withdraw his or her pleas of guilty and to enter a plea of not guilty, or setting aside the verdict of guilty, or dismissing the accusation, complaint, information, or indictment.

SEC. 178. Section 4961 of the Business and Professions Code is amended to read:

4961. An acupuncturist shall post his or her license in a conspicuous location in his or her place of practice at all times.

If an acupuncturist has more than one place of practice, he or she shall obtain from the committee a duplicate license for each additional location and post the duplicate license at each location.

SEC. 179. Section 4966 of the Business and Professions Code is amended to read:

4966. Except as provided in Section 4969, a license which has expired may be renewed at any time within three years after its expiration on filing of an application for renewal on a form provided by the committee and the payment of all accrued and unpaid renewal fees. If the license is not renewed within 30 days after its expiration, the acupuncturist, as a condition precedent to renewal, shall also pay the prescribed delinquency fee. Renewal under this section shall be effective on the date on which the application is filed, on the date on which the renewal fee is paid, or on the date the delinquency fee is paid, whichever occurs last. If so renewed, the license shall continue in effect through the expiration date provided in Section 4965, after the effective date of the renewal, when it shall expire and become invalid if it is not again renewed.

SEC. 180. Section 4967 of the Business and Professions Code is amended to read:

4967. A person who fails to renew his or her license within three years after its expiration may not renew it, and it may not be restored, reissued, or reinstated thereafter, but that person may apply for and obtain a new license if he or she meets all of the following requirements:

(a) Has not committed any acts or crimes constituting grounds for denial of licensure under Division 1.5 (commencing with Section 475).

(b) Takes and passes the examination, if any, which would be required of him or her if an initial application for licensure was being made, or otherwise establishes to the satisfaction of the committee that, with due regard for the public interest, he or she is qualified to practice as an acupuncturist.

(c) Pays all of the fees that would be required if an initial application for licensure was being made. The committee may provide for the waiver or refund of all or any part of an examination fee in those cases in which a license is issued without an examination pursuant to this section.

SEC. 181. Section 4969 of the Business and Professions Code is amended to read:

4969. (a) A suspended license is subject to expiration and shall be renewed as provided in this article, but the renewal does not entitle the acupuncturist, while the license remains suspended, and until it is reinstated, to engage in the practice of acupuncture, or in any other activity or conduct in violation of the order or judgment by which the license was suspended.

(b) A revoked license is subject to expiration as provided in this

article, but it may not be renewed. If it is reinstated after its expiration, the former licensee, as a condition to reinstatement, shall pay a reinstatement fee in an amount equal to the renewal fee in effect on the last regular renewal date before the date on which the license was reinstated, plus the delinquency fee, if any, accrued at the time of its expiration.

SEC. 183. Section 4980.90 of the Business and Professions Code is amended to read:

4980.90. (a) Experience gained outside of California shall be accepted toward the licensure requirements if it is substantially equivalent to that required by this chapter provided that the applicant has gained a minimum of 250 hours of supervised experience in direct counseling within California while registered as an intern with the board.

(b) Education gained outside of California shall be accepted toward the licensure requirements if it is substantially equivalent to the education requirements of this chapter, provided that the applicant has completed all of the following:

(1) A two semester or three quarter unit course in California law and professional ethics for marriage, family, and child counselors which shall include areas of study as specified in Section 4980.41.

(2) A minimum of seven contact hours of training or coursework in child abuse assessment and reporting as specified in Section 28, and any regulations promulgated thereunder.

(3) A minimum of 10 contact hours of training or coursework in sexuality as specified in Section 25, and any regulations promulgated thereunder.

(4) A minimum of 15 contact hours of training or coursework in alcoholism and other chemical substance dependency as specified by regulation.

(5) With respect to human sexuality and alcoholism and other chemical substance dependency, the board may accept training or coursework acquired out of state.

(c) For purposes of this section, the board may, in its discretion, accept education as substantially equivalent if the applicant has been granted a degree in a single integrated program primarily designed to train marriage, family, and child counselors and if the applicant's education meets the requirements of Sections 4980.37 and 4980.40 provided, however, that the degree title and number of units in the degree program need not be identical to those required by subdivision (a) of Section 4980.40. Where the applicant's degree does not contain the number of units required by subdivision (a) of Section 4980.40, the board may, in its discretion, accept the applicant's education as substantially equivalent if the applicant's degree otherwise complies with this section and the applicant completes the units required by subdivision (a) of Section 4980.40.

SEC. 184. Section 4982.2 of the Business and Professions Code is amended and renumbered to read:

4982.15. (a) The board may place a license or registration on

probation under the following circumstances:

(1) In lieu of, or in addition to, any order of the board suspending or revoking the license or registration of any licensee or intern.

(2) Upon the issuance of a license to an individual who has been guilty of unprofessional conduct, but who had otherwise completed all education and training and experience required for licensure.

(3) As a condition upon the reissuance or reinstatement of any license that has been suspended or revoked by the board.

(b) The board may adopt regulations establishing a monitoring program to ensure compliance with any terms or conditions of probation imposed by the board pursuant to subdivision (a). The cost of probation or monitoring may be ordered to be paid by the licensee, registrant, or applicant.

(c) The board, in its discretion, may require any licensee or registrant who has been placed on probation, or whose license or registration has been suspended, to obtain additional professional training, and to pass an examination upon completion of that training, and to pay any necessary examination fee. The examination may be written, oral, or a practical or clinical examination.

SEC. 185. Section 4982.2 is added to the Business and Professions Code, to read:

4982.2. (a) A licensed marriage, family, and child counselor, licensed clinical social worker, or educational psychologist whose license has been revoked or suspended or who has been placed on probation may petition the board for reinstatement or modification of penalty, including modification or termination of probation, after a period not less than the following minimum periods has elapsed from the effective date of the decision ordering the disciplinary action, or if the order of the board, or any portion of it, is stayed by the board itself, or by the superior court, from the date the disciplinary action is actually implemented in its entirety:

(1) At least three years for reinstatement of a license which was revoked for unprofessional conduct, except that the board may, in its sole discretion at the time of adoption, specify in its order that a petition for reinstatement may be filed after two years.

(2) At least two years for early termination of any probation period of three years, or more.

(3) At least one year for modification of a condition, or reinstatement of a license revoked for mental or physical illness, or termination of probation of less than three years.

(b) The petition may be heard by the board itself, or the board may assign the petition to an administrative law judge pursuant to Section 11512 of the Government Code. The board shall give notice to the Attorney General of the filing of the petition. The petitioner and the Attorney General shall be given timely notice by letter of the time and place of the hearing on the petition, and an opportunity to present both oral and documentary evidence and argument to the board. The petitioner shall at all times have the burden of production and proof to establish by clear and convincing evidence that he or

she is entitled to the relief sought in the petition. The board, when it is hearing the petition itself, or an administrative law judge sitting for the board, may consider all activities of the petitioner since the disciplinary action was taken, the offense for which the petitioner was disciplined, the petitioner's activities during the time his or her license was in good standing, and the petitioner's rehabilitative efforts, general reputation for truth, and professional ability.

(c) The hearing may be continued from time to time as the board or the administrative law judge deems appropriate.

(d) The board itself, or the administrative law judge if one is designated by the board, shall hear the petition and shall prepare a written decision setting forth the reasons supporting the decision. In a decision granting a petition reinstating a license or modifying a penalty, the board itself, or the administrative law judge may impose any terms and conditions that the agency deems reasonably appropriate, including those set forth in Sections 823 and 4982.15. Where a petition is heard by an administrative law judge sitting alone, the administrative law judge shall prepare a proposed decision and submit it to the board.

(e) The board may take such action with respect to the proposed decision and petition as it deems appropriate.

(f) The petition shall be on a form provided by the board, and shall state any facts and information as may be required by the board including, but not limited to, proof of compliance with the terms and conditions of the underlying disciplinary order.

(g) The petitioner shall pay a fingerprinting fee and provide a current set of his or her fingerprints to the board. The petitioner shall execute a form authorizing release to the board or its designee, of all information concerning the petitioner's current physical and mental condition. Information provided to the board pursuant to such a release shall be confidential and shall not be subject to discovery or subpoena in any other proceeding, and shall not be admissible in any action, other than before the board, to determine the petitioner's fitness to practice as required by Section 822.

(h) The petition shall be verified by the petitioner, who shall file an original and sufficient copies of the petition, together with any supporting documents, for the members of the board, the administrative law judge, and the Attorney General.

(i) The board may delegate to its executive officer authority to order investigation of the contents of the petition, but in no case, may the hearing on the petition be delayed more than 180 days from its filing without the consent of the petitioner.

(j) The petitioner may request that the board schedule the hearing on the petition for a board meeting at a specific city where the board regularly meets.

(k) No petition shall be considered while the petitioner is under sentence for any criminal offense, including any period during which the petitioner is on court-imposed probation or parole, or subject to an order of registration as a mentally disordered sex offender

pursuant to Section 290 of the Penal Code. No petition shall be considered while there is an accusation or petition to revoke probation pending against the petitioner.

(l) Except in those cases where the petitioner has been disciplined for violation of Section 822, the board may in its discretion deny without hearing or argument any petition that is filed pursuant to this section within a period of two years from the effective date of a prior decision following a hearing under this section.

SEC. 186. Section 4996.16 of the Business and Professions Code is repealed.

SEC. 187. Section 4996.16 is added to the Business and Professions Code, to read:

4996.16. Nothing in this chapter shall apply to any clinical social worker from outside this state, when in actual consultation with a licensed practitioner of this state, or when an invited guest of a professional association, or of an educational institution for the sole purpose of engaging in professional education through lectures, clinics, or demonstrations, if he or she is at the time of the consultation, lecture, or demonstration licensed to practice clinical social work in the state or country in which he or she resides. These clinical social workers shall not open an office or appoint a place to meet clients or receive calls from clients within the limits of this state.

SEC. 188. Section 4996.17 is added to the Business and Professions Code, to read:

4996.17. Experience gained outside of California shall be accepted toward the licensure requirements if it is substantially the equivalent of requirements of this chapter. A person who qualifies for licensure based on experience gained outside California may apply for and receive an associate registration to practice clinical social work.

SEC. 190. Section 5029 of the Business and Professions Code is amended to read:

5029. The board may appoint a continuing education committee of not less than five members. The committee shall perform the following duties, and the committee shall be vested with the full powers of the board for the following purposes:

(a) To evaluate programs to determine whether they qualify under the regulations adopted by the board pursuant to subdivision (b) of Section 5027. Educational courses offered by professional accounting societies shall be accepted by the board as qualifying if the courses are approved by the committee as meeting the requirements of the board under the regulations.

(b) To consider applications for exceptions as permitted under Section 5028.

(c) To consider other matters relating to the requirements of this article as the board may assign to the committee.

SEC. 191. Section 5070.7 of the Business and Professions Code is amended to read:

5070.7. (a) A permit that is not renewed within five years following its expiration may not be renewed, restored, or reinstated thereafter, and the certificate of the holder of the permit shall be canceled immediately upon expiration of the five-year period, except as provided in subdivision (e).

(b) A partnership whose certificate has been canceled by operation of this section may obtain a new certificate and permit only if it again meets the requirements set forth in this chapter relating to registration and pays the registration fee and initial permit fee.

(c) A certified public accountant whose certificate is canceled by operation of this section may apply for and obtain a new certificate and permit if:

(1) He or she is not subject to denial of a certificate and permit under Section 480.

(2) He or she pays all of the fees that would be required of him or her if he or she were then applying for the certificate and permit for the first time.

(3) He or she takes and passes the examination which would be required of him or her if he or she were then applying for the certificate for the first time. The examination may be waived in any case in which the applicant establishes to the satisfaction of the board that, with due regard for the public interest, he or she is qualified to engage in practice as a certified public accountant.

(d) The board may, by appropriate regulation, provide for the waiver or refund of all or any part of the application fee in those cases in which a certificate is issued without an examination under this section.

(e) Revoked permits may not be renewed, but may be reinstated by the board, without regard to the length of time that has elapsed since the permit was revoked, and with conditions and restrictions as the board shall determine.

SEC. 192. Section 5081.1 of the Business and Professions Code is amended to read:

5081.1. An applicant for admission to the examination for a certified public accountant certificate shall comply with one of the following:

(a) He or she shall present satisfactory evidence that he or she has received a baccalaureate degree from a university, college or other four-year institution of learning accredited by a regional or national accrediting agency or association included in a list of such agencies or associations published by the United States Commissioner of Education under the requirements of Section 253 of the Veterans' Readjustment Assistance Act of 1952, known as Public Law 550 of the 82nd Congress, as amended, with a major in accounting or related subjects requiring a minimum of 45 semester hours of instruction in such subjects. If the applicant has received a baccalaureate degree in a nonaccounting major, the applicant shall present satisfactory evidence of study substantially the equivalent of accounting major,

including courses in related business administration.

(b) He or she shall present satisfactory evidence that he or she has successfully completed a two-year course of study at college grade or received an associate in arts degree from a junior college, either institution accredited by a regional or national accrediting agency or association which association is included in a list published by the United States Commissioner of Education under the provisions of federal law provided above, and that he or she has studied accounting, commercial law, economics, finance and related business administration subjects for a period of at least four years.

(c) The applicant shall show to the satisfaction of the board that he or she has had the equivalent of the educational qualifications required by subdivisions (a) or (b), or shall pass a preliminary written examination approved and administered by an agency approved by the California State Department of Education and shall have completed a minimum of 10 semester hours or the equivalent in accounting subjects. The 10 semester hours in accounting subjects shall be completed at a college, university, or other institution of higher learning accredited at the college level by an agency or association which association is included in a list published by the United States Commissioner of Education under the federal law provided above.

(d) He or she shall be a public accountant registered under this chapter.

SEC. 193. Section 5680.1 of the Business and Professions Code is amended to read:

5680.1. Except as otherwise provided in this chapter, a certificate which has expired may be renewed at any time within three years after its expiration on filing of application for renewal on a form prescribed by the board, and payment of the renewal fee in effect on the last preceding regular renewal date. If the certificate is renewed more than 30 days after its expiration, the certificate holder, as a condition precedent to renewal, shall also pay the delinquency fee prescribed by this chapter. Renewal under this section shall be effective on the date on which the application is filed, on the date on which the renewal fee is paid, or on the date on which the delinquency fee, if any, is paid, whichever last occurs. If so renewed, the certificate shall continue in effect through the date provided in Section 5680 which next occurs after the effective date of the renewal, when it shall expire if it is not again renewed.

SEC. 194. Section 5680.2 of the Business and Professions Code is amended to read:

5680.2. A certificate which is not renewed within three years after its expiration may not be renewed, restored, reissued, or reinstated thereafter, but the holder of the certificate may apply for and obtain a new certificate if:

(a) No fact, circumstance, or condition exists which, if the certificate were issued, would justify its revocation or suspension,

(b) The applicant pays all of the fees which would be required of

the applicant if the applicant were then applying for the certificate for the first time, and

(c) The applicant takes and passes the examination which would be required of the applicant if the applicant were then applying for the certificate for the first time, or otherwise establishes to the satisfaction of the board that the applicant is qualified to practice landscape architecture.

The board may, by regulation, authorize the waiver or refund of all or any part of the examination fee in those cases in which a certificate is issued without an examination under this section.

SEC. 195. Section 6529 of the Business and Professions Code, as added by Section 2 of Chapter 1673 of the Statutes of 1990, is amended to read:

6529. No raise in fees for any one category of fees imposed by the State Board of Barbering and Cosmetology in any given biennial renewal period shall exceed the sum of five dollars (\$5) for any one category of fees except for barber colleges, which fees shall not exceed twenty-five dollars (\$25). No fee shall exceed the maximum amount allowable for fees for any purpose set forth in this chapter.

This section shall become operative on January 1, 1994.

SEC. 196. Section 6704 of the Business and Professions Code is amended to read:

6704. In order to safeguard life, health, property, and public welfare, no person shall practice civil, electrical, or mechanical engineering unless appropriately registered or specifically exempted from registration under this chapter, and only persons registered under this chapter shall be entitled to take and use the titles "consulting engineer," "professional engineer," or "registered engineer," or any combination of those titles, and according to registration with the board the engineering branch titles specified in Section 6732, or the authority titles specified in Section 6763, or "engineer-in-training."

The provisions of this act pertaining to registration of professional engineers other than civil engineers, do not apply to employees in the communication industry; nor to the employees of contractors while engaged in work on communication equipment; however, those employees may not use any of the titles listed in Section 6732 unless registered.

The provisions of this section shall not prevent the use of the title "consulting engineer" by a person who has qualified for and maintained exemption for using that title under the provisions of Section 6732.1, or by a person licensed as a photogrammetric surveyor.

SEC. 197. Section 6715 of the Business and Professions Code is amended to read:

6715. The executive officer shall keep a complete record of all applications for registration and the board's action thereon and, once every two years, shall prepare a roster showing the names and addresses of all registered professional engineers, and the names and

addresses of the holders of all delinquent certificates of registration and certificates of authority.

A copy of the roster shall be filed with the Secretary of State. Copies shall be available to the general public. The roster shall be a public record.

SEC. 198. Section 6735.3 of the Business and Professions Code is amended to read:

6735.3. All electrical engineering plans, specifications, reports, or documents prepared by a registered electrical engineer or by a subordinate under his or her direction shall be signed by the engineer to indicate his or her responsibility for them. In addition to his or her signature, the engineering plans, specifications, reports, or documents shall bear the seal or stamp of the registrant, and the expiration date of the registration. If the final electrical engineering plans, specifications, or reports have multiple pages or sheets, the signature, seal or stamp, and the expiration date of the certificate of authority need only appear on the originals of the plans and on the original title sheet of the specifications and reports.

SEC. 199. Section 6735.4 of the Business and Professions Code is amended to read:

6735.4. All mechanical engineering plans, specifications, reports, or documents prepared by a registered mechanical engineer or by a subordinate under his or her direction shall be signed by the engineer to indicate his or her responsibility for them. In addition to his or her signature, the engineering plans, specifications, reports, or documents shall bear the seal or stamp of the registrant, and the expiration date of the registration. If the final mechanical engineering plans, specifications, or reports have multiple pages or sheets, the signature, seal or stamp, and the expiration date of the certificate of authority need only appear on the originals of the plans and on the original title sheet of the specifications and reports.

SEC. 200. Section 6736.1 of the Business and Professions Code is amended to read:

6736.1. (a) On or after July 1, 1984, no person shall use the title, "soil engineer," unless he or she is a registered civil engineer in this state and he or she has been found qualified as a soil engineer according to the rules and regulations established for soil engineers by the board. Any registered civil engineer using the title "soil engineer" on or before July 1, 1984, may, for a period of two years, continue to use the title "soil engineer." On and after July 1, 1986, no person may use the title "soil engineer," "soils engineer," or "geotechnical engineer," unless he or she files an application to use the appropriate title with the board and the board determines the applicant is qualified to use the requested title.

(b) The board shall establish qualifications and standards to use the title "soil engineer," "soils engineer," or "geotechnical engineer." However, each applicant shall demonstrate a minimum of four years qualifying experience beyond that required for registration as a civil engineer, and shall pass the examination

specified by the board.

(c) For purposes of this section, “qualifying experience” means proof of responsible charge of soil engineering projects in at least 50 percent of the major areas of soil engineering, as determined by the board.

(d) Nothing contained in this chapter requires existing references to “soil engineering,” “soils engineering,” “geotechnical engineering,” “soil engineer,” “soils engineer,” or “geotechnical engineer,” in local agency ordinances, building codes, regulations, or policies, to mean that those activities or persons must be registered or authorized to use the relevant title or authority.

SEC. 201. Section 6737.3 of the Business and Professions Code is amended to read:

6737.3. A contractor, licensed under Chapter 9 (commencing with Section 7000) of Division 3, is exempt from the provisions of this chapter relating to the practice of electrical or mechanical engineering so long as the services he or she holds himself or herself out as able to perform or does perform, which services are subject to the provisions of this chapter, are performed by, or under the responsible supervision of a registered electrical or mechanical engineer insofar as the electrical or mechanical engineer practices the branch of engineering for which he or she is registered.

This section shall not prohibit a licensed contractor, while engaged in the business of contracting for the installation of electrical or mechanical systems or facilities, from designing those systems or facilities in accordance with applicable construction codes and standards for work to be performed and supervised by that contractor within the classification for which his or her license is issued, or from preparing electrical or mechanical shop or field drawings for work which he or she has contracted to perform. Nothing in this section is intended to imply that a licensed contractor may design work which is to be installed by another person.

SEC. 202. Section 6737.4 of the Business and Professions Code is repealed.

SEC. 203. Section 6796 of the Business and Professions Code is amended to read:

6796. Except as otherwise provided in this article, certificates of registration as a professional engineer, and certificates of authority may be renewed at any time within three years after expiration on filing of application for renewal on a form prescribed by the board and payment of all accrued and unpaid renewal fees. If the certificate is renewed more than 60 days after its expiration, the certificate holder, as a condition precedent to renewal, shall also pay the delinquency fee prescribed by this chapter. Renewal under this section shall be effective on the date on which the application is filed, on the date on which the renewal fee is paid, or on the date on which the delinquency fee, if any, is paid, whichever last occurs.

The expiration date of a certificate renewed pursuant to this section shall be determined pursuant to Section 6795.

SEC. 204. Section 6796.3 of the Business and Professions Code is amended to read:

6796.3. Certificates of registration as a professional engineer, and certificates of authority to use the title "structural engineer," "soil engineer," or "consulting engineer" which are not renewed within five years after expiration may not be renewed, restored, reinstated, or reissued unless all the following apply:

(a) The registrant or certificate holder has not committed any acts or crimes constituting grounds for denial of registration or of a certificate under Section 480.

(b) The registrant or certificate holder takes and passes the examination which would be required of him or her if he or she were then applying for the certificate for the first time, or otherwise establishes to the satisfaction of the board that, with due regard for the public interest, he or she is qualified to practice the branch of engineering in which he or she seeks renewal or reinstatement.

(c) The registrant or certificate holder pays all of the fees that would be required of him or her if he or she were then applying for the certificate for the first time. If the registrant or certificate holder has been practicing in this state with an expired or delinquent license and receives a waiver from taking the examination as specified in subdivision (b) then he or she shall pay all accrued and unpaid renewal fees.

The board may, by regulation, provide for the waiver or refund of all or any part of the application fee in those cases in which a certificate is issued without an examination pursuant to this section.

SEC. 205. Section 6796.6 of the Business and Professions Code is repealed.

SEC. 206. Section 7051 of the Business and Professions Code is amended to read:

7051. This chapter does not apply to a licensed architect or a registered civil or professional engineer acting solely in his or her professional capacity or to a licensed structural pest control operator acting within the scope of his or her license or a licensee operating within the scope of the Geologist and Geophysicist Act.

SEC. 206.5. Section 7071.6 of the Business and Professions Code is amended to read:

7071.6. (a) Except as provided in Section 7071.8 and subdivision (b), the board shall require, as a condition precedent to the issuance, reinstatement, reactivation, or renewal of a license, that the applicant file or have on file a contractor's bond in the sum of seven thousand five hundred dollars (\$7,500). No bond shall be required of a holder of an inactive license during the period the license is inactive.

(b) Notwithstanding subdivision (a), the board shall require, as a condition precedent to the issuance, reinstatement, reactivation, or renewal of a license for the license classification of swimming pool contractor, that the applicant file or have on file a contractor's bond in the sum of ten thousand dollars (\$10,000). No bond shall be

required of a holder of an inactive license during the period the license is inactive.

(c) Notwithstanding any other provision of law, the board shall require, as a condition to the continued maintenance of any active license, that the holder of a license file, or have on file, upon renewal, a contractor's bond in the sum of seven thousand five hundred dollars (\$7,500); provided, that the holder of a license for the classification of swimming pool contractor file, or have on file, a contractor's bond in the sum of ten thousand dollars (\$10,000).

(d) Notwithstanding any other provision of law, the board shall require, as a condition precedent to the issuance, reinstatement, or reactivation of a license, that an applicant, previously found to have failed or refused to pay a contractor, subcontractor, consumer, materials supplier, or employee based on an entered and unsatisfied final judgment from a court of law, file or have on file with the board a judgment bond or other security sufficient to guarantee payment of an amount equal to the unsatisfied final judgment or judgments. The applicant shall have 90 days from date of notification by the board to file the bond or the application shall become void and the applicant shall reapply for issuance, reinstatement, or reactivation of a license. The board may not issue, reinstate, or reactivate a license until the judgment bond is filed with the board. The judgment bond is in addition to the contractor's bond. The bond shall be on file for a minimum of one year, after that the bond may be removed by submitting proof of satisfaction of all debts. The applicant may provide the board with a notarized copy of any accord, reached with any judgment creditor holding an unsatisfied final judgment, to satisfy a debt in lieu of filing the bond. Failure to maintain the bond or failure to abide by the accord shall result in the automatic suspension, by operation of law, of any license to which this section applies. After a license is suspended for failure to maintain the bond or abide by the accord the license can only be reinstated when proof of a satisfaction of all debts is made.

Except as otherwise provided, the judgment bond shall remain in full force in the amount posted until the entire debt is satisfied. If at the time of renewal, the licensee submits proof of partial satisfaction of the outstanding final judgment, the board may authorize the judgment bond be reduced to the amount of the unsatisfied portion of the outstanding judgment. When the licensee submits proof of satisfaction of all debts, the judgment bond requirement may be removed.

The board shall include on the license application for issuance, reinstatement, or reactivation, a statement, to be made under penalty of perjury, as to whether there are any entered and unsatisfied judgments against the applicant on behalf of contractors, subcontractors, consumers, or the applicant's employees. Notwithstanding any other provision of law, if it is found that the applicant falsified the statement then the license will be retroactively suspended to date of issuance and the license will stay

suspended until the judgment bond is filed.

This subdivision applies only with respect to an unsatisfied judgment which is substantially related to the qualifications, functions, or duties of the license being applied for. This section shall not apply to an applicant for issuance, reinstatement, or reactivation where an unsatisfied judgment has been fully discharged in a completed bankruptcy proceeding.

(e) Notwithstanding any other provision of law, the licensee shall notify the registrar in writing of any entered and unsatisfied judgments within 90 days from the date of judgment.

If the licensee fails to notify the registrar in writing within 90 days, the license shall be automatically suspended and the licensee shall automatically be prohibited from serving as the responsible managing officer, responsible managing partner, or responsible managing employee for any other licensee from the date that the registrar is informed, or is made aware of the unsatisfied judgment. The suspension of the license and prohibition against serving as the responsible managing officer, responsible managing partner, or responsible managing employee for any other licensee shall not be removed until proof of satisfaction of judgment is submitted to the registrar.

If the licensee is serving as the person who is the responsible managing officer, responsible managing partner, or responsible managing employee of any other licensee at the time the suspension arises, the suspension of a license under this section shall constitute a disassociation pursuant to Section 7068.2 and the date of the suspension shall constitute the date of disassociation for the purposes of Section 7068.2. The registrar shall notify the licensee of the disassociation of the qualified person under this section. This notice shall be sent to each remaining member of the personnel of the licensee by first-class mail to the licensee's address of record. In the event that proof of full satisfaction of judgment is submitted to the registrar within the 90-day period provided in Section 7068.2, the disassociation of the responsible managing officer, responsible managing partner, or responsible managing employee shall be terminated and the qualified person shall be permitted to serve as the responsible managing officer, responsible managing partner, or responsible managing employee for the licensee.

This section applies only with respect to an unsatisfied judgment which is substantially related to the qualifications, functions, or duties of the license being applied for. In lieu of submitting proof of satisfaction of judgment in order to remove this suspension a licensee may submit proof that the unsatisfied judgment has been fully discharged in a completed bankruptcy proceeding.

If the licensee notifies the registrar in writing within 90 days of the date of judgment of any entered and unsatisfied judgments the board shall require as a condition to the continual maintenance of the license that the licensee file or have on file with the board a judgment bond or other security sufficient to guarantee payment of

an amount equal to the unsatisfied judgment or judgments. The licensee has 90 days from date of notification by the board to file the bond or at the end of the 90 days the license shall be automatically suspended. The licensee may provide the board with a notarized copy of any accord, reached with any individual holding an unsatisfied judgment, to satisfy a debt in lieu of filing the bond. Failure to maintain the bond or failure to abide by the accord shall result in the automatic suspension, by operation of law, to any license that this section applies. If a licensee does not file the bond within 90 days from the board's date of notification and the license is suspended or if the bond is not maintained and the license is suspended or if the licensee does not abide by the accord and the license is suspended, the license suspension and prohibition against serving as a responsible managing officer, responsible managing partner, or responsible managing employee for any other licensee can only be removed and the license reinstated or the licensee allowed to serve as a responsible managing officer, responsible managing partner, or responsible managing employee for any other licensee when proof of a satisfaction of all debts is made.

Except as otherwise provided, the judgment bond shall remain in full force in the amount posted until the entire debt is satisfied. If at the time of renewal, the licensee submits proof of partial satisfaction of the outstanding final judgment, the board may authorize the judgment bond be reduced to the amount of the unsatisfied portion of the outstanding judgment. When the licensee submits proof of satisfaction of all debts, the judgment bond requirement may be removed.

(f) The board shall take the actions required by this section upon notification by any party having knowledge of the outstanding judgment upon a showing of proof of the judgment.

(g) For the purposes of this section, the term "judgment" includes any final arbitration award.

(h) Notwithstanding any other provision of law, as a condition precedent to licensure, the board may require an applicant to post a contractor's bond in twice the amount required pursuant to subdivision (a) until such time as the license is renewed, under the following conditions:

(1) The applicant has either been convicted of a violation of Section 7028 or has been cited pursuant to Section 7028.7.

(2) If the applicant has been cited pursuant to Section 7028.7, the citation has been reduced to a final order of the registrar.

(3) The violation of Section 7028, or the basis for the citation issued pursuant to Section 7028.7, constituted a substantial injury to the public.

(i) This section shall become inoperative on July 1, 1994, and as of January 1, 1995, is repealed, unless a later enacted statute, which becomes effective on or before January 1, 1995, deletes or extends the dates on which it becomes inoperative and is repealed.

SEC. 206.7. Section 7071.6 is added to the Business and

Professions Code, to read:

7071.6. (a) Except as provided in Section 7071.8 and subdivision (b), the board shall require, as a condition precedent to the issuance, reinstatement, reactivation, or renewal of a license, that the applicant file or have on file a contractor's bond in the sum of seven thousand five hundred dollars (\$7,500). No bond shall be required of a holder of an inactive license during the period the license is inactive.

(b) Notwithstanding subdivision (a), the board shall require, as a condition precedent to the issuance, reinstatement, reactivation, or renewal of a license for the license classification of swimming pool contractor, that the applicant file or have on file a contractor's bond in the sum of ten thousand dollars (\$10,000). No bond shall be required of a holder of an inactive license during the period the license is inactive.

(c) Notwithstanding any other provision of law, the board shall require, as a condition to the continued maintenance of any active license, that the holder of a license file, or have on file, on and after July 1, 1994, a contractor's bond in the sum of seven thousand five hundred dollars (\$7,500); provided, that the holder of a license for the classification of swimming pool contractor file, or have on file, a contractor's bond in the sum of ten thousand dollars (\$10,000).

(d) Notwithstanding any other provision of law, the board shall require, as a condition precedent to the issuance, reinstatement, or reactivation of a license, that an applicant, previously found to have failed or refused to pay a contractor, subcontractor, consumer, materials supplier, or employee based on an entered and unsatisfied final judgment from a court of law, file or have on file with the board a judgment bond or other security sufficient to guarantee payment of an amount equal to the unsatisfied final judgment or judgments. The applicant shall have 90 days from date of notification by the board to file the bond or the application shall become void and the applicant shall reapply for issuance, reinstatement, or reactivation of a license. The board may not issue, reinstate, or reactivate a license until the judgment bond is filed with the board. The judgment bond is in addition to the contractor's bond. The bond shall be on file for a minimum of one year, after that the bond may be removed by submitting proof of satisfaction of all debts. The applicant may provide the board with a notarized copy of any accord, reached with any judgment creditor holding an unsatisfied final judgment, to satisfy a debt in lieu of filing the bond. Failure to maintain the bond or failure to abide by the accord shall result in the automatic suspension, by operation of law, of any license to which this section applies. After a license is suspended for failure to maintain the bond or abide by the accord the license can only be reinstated when proof of a satisfaction of all debts is made.

Except as otherwise provided, the judgment bond shall remain in full force in the amount posted until the entire debt is satisfied. If at the time of renewal, the licensee submits proof of partial satisfaction

of the outstanding final judgment, the board may authorize the judgment bond be reduced to the amount of the unsatisfied portion of the outstanding judgment. When the licensee submits proof of satisfaction of all debts, the judgment bond requirement may be removed.

The board shall include on the license application for issuance, reinstatement, or reactivation, a statement, to be made under penalty of perjury, as to whether there are any entered and unsatisfied judgments against the applicant on behalf of contractors, subcontractors, consumers, or the applicant's employees. Notwithstanding any other provision of law, if it is found that the applicant falsified the statement then the license will be retroactively suspended to date of issuance and the license will stay suspended until the judgment bond is filed.

This subdivision applies only with respect to an unsatisfied judgment which is substantially related to the qualifications, functions, or duties of the license being applied for. This section shall not apply to an applicant for issuance, reinstatement, or reactivation where an unsatisfied judgment has been fully discharged in a completed bankruptcy proceeding.

(e) Notwithstanding any other provision of law, the licensee shall notify the registrar in writing of any entered and unsatisfied judgments within 90 days from the date of judgment.

If the licensee fails to notify the registrar in writing within 90 days, the license shall be automatically suspended and the licensee shall automatically be prohibited from serving as the responsible managing officer, responsible managing partner, or responsible managing employee for any other licensee from the date that the registrar is informed, or is made aware of the unsatisfied judgment. The suspension of the license and prohibition against serving as the responsible managing officer, responsible managing partner, or responsible managing employee for any other licensee shall not be removed until proof of satisfaction of judgment is submitted to the registrar.

If the licensee is serving as the person who is the responsible managing officer, responsible managing partner, or responsible managing employee of any other licensee at the time the suspension arises, the suspension of a license under this section shall constitute a disassociation pursuant to Section 7068.2 and the date of the suspension shall constitute the date of disassociation for the purposes of Section 7068.2. The registrar shall notify the licensee of the disassociation of the qualified person under this section. This notice shall be sent to each remaining member of the personnel of the licensee by first-class mail to the licensee's address of record. In the event that proof of full satisfaction of judgment is submitted to the registrar within the 90-day period provided in Section 7068.2, the disassociation of the responsible managing officer, responsible managing partner, or responsible managing employee shall be terminated and the qualified person shall be permitted to serve as

the responsible managing officer, responsible managing partner, or responsible managing employee for the licensee.

This section applies only with respect to an unsatisfied judgment which is substantially related to the qualifications, functions, or duties of the license being applied for. In lieu of submitting proof of satisfaction of judgment in order to remove this suspension a licensee may submit proof that the unsatisfied judgment has been fully discharged in a completed bankruptcy proceeding.

If the licensee notifies the registrar in writing within 90 days of the date of judgment of any entered and unsatisfied judgments the board shall require as a condition to the continual maintenance of the license that the licensee file or have on file with the board a judgment bond or other security sufficient to guarantee payment of an amount equal to the unsatisfied judgment or judgments. The licensee has 90 days from date of notification by the board to file the bond or at the end of the 90 days the license shall be automatically suspended. The licensee may provide the board with a notarized copy of any accord, reached with any individual holding an unsatisfied judgment, to satisfy a debt in lieu of filing the bond. Failure to maintain the bond or failure to abide by the accord shall result in the automatic suspension, by operation of law, to any license that this section applies. If a licensee does not file the bond within 90 days from the board's date of notification and the license is suspended or if the bond is not maintained and the license is suspended or if the licensee does not abide by the accord and the license is suspended, the license suspension and prohibition against serving as a responsible managing officer, responsible managing partner, or responsible managing employee for any other licensee can only be removed and the license reinstated or the licensee allowed to serve as a responsible managing officer, responsible managing partner, or responsible managing employee for any other licensee when proof of a satisfaction of all debts is made.

Except as otherwise provided, the judgment bond shall remain in full force in the amount posted until the entire debt is satisfied. If at the time of renewal, the licensee submits proof of partial satisfaction of the outstanding final judgment, the board may authorize the judgment bond be reduced to the amount of the unsatisfied portion of the outstanding judgment. When the licensee submits proof of satisfaction of all debts, the judgment bond requirement may be removed.

(f) The board shall take the actions required by this section upon notification by any party having knowledge of the outstanding judgment upon a showing of proof of the judgment.

(g) For the purposes of this section, the term "judgment" includes any final arbitration award.

(h) Notwithstanding any other provision of law, as a condition precedent to licensure, the board may require an applicant to post a contractor's bond in twice the amount required pursuant to subdivision (a) until such time as the license is renewed, under the

following conditions:

(1) The applicant has either been convicted of a violation of Section 7028 or has been cited pursuant to Section 7028.7.

(2) If the applicant has been cited pursuant to Section 7028.7, the citation has been reduced to a final order of the registrar.

(3) The violation of Section 7028, or the basis for the citation issued pursuant to Section 7028.7, constituted a substantial injury to the public.

(i) This section shall become operative July 1, 1994.

SEC. 207. Section 7306 of the Business and Professions Code is amended to read:

7306. (a) Members shall be appointed for four-year terms expiring June 1 of the fourth year following the year in which the previous term expired. Members shall hold office until the appointment and qualification of their successors or until one year shall have elapsed since the expiration of the term for which they were appointed, whichever first occurs. No person shall serve as a member of the board for more than two consecutive terms.

(b) Vacancies occurring during a term shall be filled for the unexpired term.

(c) The Governor shall appoint three of the public members, one licensed cosmetologist and one licensed barber who shall not be affiliated with any school, as defined in Article 8 (commencing with Section 7362) nor have dual licensure in cosmetology, barbering, or electrolysis, and two other members representing the professions. The Senate Committee on Rules and the Speaker of the Assembly shall each appoint one public member.

(d) Notwithstanding any other provision of law, the Director of Consumer Affairs may make a formal recommendation to the appointing power that a board member be removed for cause, provided that the director must provide prior written notice to the appointing power and to the member stating the basis for the recommendation.

(e) The appointing powers shall give consideration to members of the State Board of Barbering and Cosmetology holding office on June 1, 1992, in making first appointments to the new board, provided those members' terms were scheduled to expire after June 1, 1992, and they would have been eligible for reappointment to the State Board of Barbering and Cosmetology.

(f) The first four members selected as first appointments to the new board shall be appointed for two-year terms expiring June 1 of the second year following the year of their appointment.

SEC. 208. Section 7685.3 of the Business and Professions Code is amended to read:

7685.3. Commencing January 1, 1994, the current address, telephone number, and name of the State Board of Funeral Directors and Embalmers shall appear prominently any contract for goods and services offered by a funeral director. At a minimum, the information shall be in 8-point boldface type and make this statement:

“FOR MORE INFORMATION ON FUNERAL MATTERS, CONTACT: STATE BOARD OF FUNERAL DIRECTORS AND EMBALMERS, (ADDRESS); TELEPHONE NUMBER (NUMBER).”

For the period of January 1, 1993, through December 31, 1993, a funeral director shall supply the above information in writing when presenting a sales contract to any individual.

SEC. 209. Section 7851 of the Business and Professions Code is repealed.

SEC. 210. Section 8000 of the Business and Professions Code is amended to read:

8000. There is in the Department of Consumer Affairs a Court Reporters Board of California, which consists of five members, three of whom shall be public members and two of whom shall be holders of certificates issued under this chapter who have been actively engaged as shorthand reporters within this state for at least five years immediately preceding their appointment.

SEC. 211. Section 8005 of the Business and Professions Code is amended to read:

8005. The Court Reporters Board of California is charged with the executive functions necessary for effectuating the purposes of this chapter. It may appoint committees as it deems necessary or proper. The board may appoint, prescribe the duties, and fix the salary of an executive officer. Except as provided by Section 159.5, the board may also employ other employees as may be necessary, subject to civil service and other provisions of law.

SEC. 212. Section 8018 of the Business and Professions Code is amended to read:

8018. Any natural person holding a valid certificate as a shorthand reporter, as provided in this chapter, shall be styled and known as a “certified shorthand reporter.” Except as provided in Section 8043, no other person, firm, or corporation shall assume or use the title “certified shorthand reporter,” or the abbreviation “C.S.R.,” or use any words or symbols indicating or tending to indicate that the person is certified under this chapter, or in any manner whatever represent that he, she, or it is certified under this chapter.

SEC. 213. Section 8027 of the Business and Professions Code is amended to read:

8027. (a) As used in this section, “school” means a court reporter training program or an institution which provides a course of instruction approved by the board, and which is approved by the Council for Private Postsecondary and Vocational Education, is a public school in this state, or is accredited by the Western Association of Schools and Colleges.

(b) A court reporting school shall be primarily organized to train students for the practice of shorthand reporting, as defined in Sections 8016 and 8017. Its educational program shall be on the

postsecondary or collegiate level, and shall be a residence program; its educational program shall not be a correspondence program. It shall be legally organized and authorized to conduct its program under all applicable laws of the state, and shall conform to and offer the minimum prescribed course of study established by the board. Its records shall be kept and shall be maintained in a manner to render them safe from theft, fire, or other loss. The records shall indicate positive daily and clock-hour attendance of each student; apprenticeship and graduation reports; high school transcripts or equivalent; transcript of other education; and, student progress to date.

(c) The board may grant provisional recognition to a new court reporting school upon satisfactory evidence that it has met all of the provisions of subdivision (b). Recognition may be granted by the board to a provisionally recognized school after it has been in continuous operation for a period of no less than three, and no more than five, consecutive years from the date provisional recognition was granted, during which period the school shall provide satisfactory evidence that at least one person has successfully completed the entire course of study established by the board and complied with the provisions of Section 8020, and has been issued a certificate to practice shorthand reporting as defined in Sections 8016 and 8017. Failure to meet the provisions and terms of this section shall require the board to deny recognition after the five-year period.

(d) Application for recognition of a court reporting school shall be made upon a form prescribed by the board and shall be accompanied by all evidence, statements, or documents requested. Each branch, extension center or off-campus facility requires separate application.

(e) All recognized and provisionally recognized court reporting schools shall notify the board of any change in school name, address, telephone number, responsible court reporting program manager, owner of private schools, and the effective date thereof, within 30 days of the change. The board shall be notified, immediately, of the discontinuance, or pending discontinuance of the school or program. All of these notifications shall be made in writing.

(f) The board shall maintain a roster of currently recognized and provisionally recognized court reporting schools including, but not limited to, the name, address, telephone number, and the name of the responsible court reporting program manager of each school.

(g) The board shall maintain statistics which display the number and passing percentage of all first-time examinees including, but not limited to, those qualified by each recognized or provisionally recognized school and those first-time examinees qualified by other methods as defined in Section 8020.

(h) Inspections and investigations shall be conducted by the board as necessary to carry out this section.

(i) Each court reporting school shall file with the board, not later than June 30 of each year, a current school catalog which shows all course offerings and staff, and for private schools, the owner, except

that where there have been no changes to the catalog within the previous year, no catalog need be sent. In addition, each school shall also file with the board a statement certifying that the school is in compliance with all statutes and the rules and regulations of the board, signed by the responsible court reporting program manager.

SEC. 214. Section 8030 of the Business and Professions Code is amended to read:

8030. All fees and other revenues received by the board shall be reported promptly to the State Controller and shall be deposited with the State Treasurer to be placed in the Court Reporters' Fund, which fund is continued in existence in the State Treasury and is appropriated to carry out this chapter.

SEC. 215. Section 8030.2 of the Business and Professions Code is amended to read:

8030.2. (a) To provide shorthand reporting services to low-income litigants in civil cases, who are unable to otherwise afford those services, funds generated by fees received by the board pursuant to subdivision (c) of Section 8031 in excess of funds needed to support the board's operating budget for the fiscal year in which a transfer described below is made shall be used by the board for the purpose of establishing and maintaining a Transcript Reimbursement Fund. The Transcript Reimbursement Fund shall be established by a transfer of funds from the Court Reporters' Fund and shall be maintained in an amount no less than three hundred thousand dollars (\$300,000) for each fiscal year.

(b) All moneys held in the Court Reporters' Fund on the effective date of this section in excess of the board's operating budget for the 1986-87 fiscal year shall be used as provided in subdivision (a).

(c) Refunds and unexpended funds that are anticipated to remain in the Transcript Reimbursement Fund at the end of the fiscal year shall be considered by the board in establishing the fee assessment pursuant to Section 8031 so that the assessment shall maintain the Transcript Reimbursement Fund at the appropriate level in the following fiscal year.

(d) The Transcript Reimbursement Fund is hereby created in the State Treasury. Notwithstanding Section 13340 of the Government Code, moneys in the Transcript Reimbursement Fund are continuously appropriated for the purposes of this chapter.

(e) Applicants who have been reimbursed pursuant to this chapter for services provided to litigants and who are awarded court costs or attorneys' fees by judgment or by settlement agreement, shall refund the full amount of that reimbursement to the fund within 90 days of receipt of the award or settlement.

(f) Subject to the limitations of this chapter, the board shall maintain the fund at a level which is sufficient to pay all qualified claims. To accomplish this objective, the board shall utilize all refunds, unexpended funds, fees, and any other moneys received by the board.

(g) Notwithstanding Section 16346 of the Government Code, all

unencumbered funds remaining in the Transcript Reimbursement Fund as of June 29, 1986, shall be transferred to the Transcript Reimbursement Fund established by this section.

(h) Notwithstanding Section 16346 of the Government Code, all unencumbered funds remaining in the Transcript Reimbursement Fund as of June 29, 1996, shall be transferred to the Court Reporters' Fund.

This section shall remain in effect only until June 30, 1996, and as of that date is repealed.

SEC. 216. Section 8040 of the Business and Professions Code is amended to read:

8040. A shorthand reporting corporation is a corporation which is authorized to render professional services, as defined in Section 13401 of the Corporations Code, as long as that corporation and all of its shareholders, officers, directors, and employees rendering professional services who are certified shorthand reporters are in compliance with the Moscone-Knox Professional Corporation Act, this article, and all other statutes and regulations now or hereafter enacted or adopted pertaining to that corporation and the conduct of its officers. With respect to a shorthand reporting corporation, the governmental agency referred to in the Moscone-Knox Professional Corporation Act is the Court Reporters Board of California.

SEC. 217. Section 8712 of the Business and Professions Code is amended to read:

8712. The executive officer shall prepare, once every two years, a roster containing the names and addresses of all licensed land surveyors, and the names and addresses of the holders of delinquent licenses. The roster shall be a part of the roster of registered professional engineers issued by the board.

A copy of the roster shall be filed with the Secretary of State.

Copies of the roster shall be available to the general public.

The roster shall be a public record.

SEC. 218. Section 8750 of the Business and Professions Code is amended to read:

8750. Upon being licensed, each licensee may obtain a stamp or seal of the design authorized by the board bearing the licensee's name, number of certificate, and the legend "Licensed Land Surveyor," or "Professional Land Surveyor." The stamp or seal shall contain the expiration date of the license, or a space within which the expiration date must be written.

SEC. 219. Section 8762 of the Business and Professions Code is amended to read:

8762. After making a survey in conformity with the practice of land surveying, the surveyor or civil engineer may file with the county surveyor in the county in which the survey was made, a record of the survey.

After making a survey in conformity with the practice of land surveying, the licensed land surveyor or registered civil engineer shall file with the county surveyor in the county in which the survey

was made a record of the survey relating to land boundaries or property lines, if the survey discloses any of the following:

(a) Material evidence or physical change, which in whole or in part does not appear on any subdivision map, official map, or record of survey previously recorded or filed in the office of the county recorder or county surveying department, or map or survey record maintained by the Bureau of Land Management of the United States.

(b) A material discrepancy with the information contained in any subdivision map, official map, or record of survey previously recorded or filed in the office of the county recorder or the county surveying department, or any map or survey record maintained by the Bureau of Land Management of the United States. For purposes of this subdivision, a "material discrepancy" is limited to a material discrepancy in the position of points or lines, or in dimensions.

(c) Evidence that, by reasonable analysis, might result in materially alternate positions of lines or points, shown on any subdivision map, official map, or record of survey previously recorded or filed in the office of the county recorder or the county surveying department, or any map or survey record maintained by the Bureau of Land Management of the United States.

(d) The establishment of one or more points or lines not shown on any subdivision map, official map, or record of survey, the positions of which are not ascertainable from an inspection of the subdivision map, official map, or record of survey without trigonometric calculations.

(e) The points or lines set during a survey of any parcel described in any deed or other instrument of title recorded in the county recorder's office are not shown on any subdivision map, official map, or record of survey.

The record of survey required to be filed pursuant to this section shall be filed within 90 days after the setting of boundary monuments during the performance of a survey or within 90 days after completion of a survey, whichever occurs first.

If the 90-day time limit contained in this section cannot be complied with for reasons beyond the control of the licensed land surveyor or registered civil engineer, the 90-day time period shall be extended until such time as the reasons for delay are eliminated. If the licensed land surveyor or registered civil engineer cannot comply with the 90-day time limit, he or she shall, prior to the expiration of the 90-day time limit, provide the county surveyor with a letter stating that he or she is unable to comply. The letter shall provide an estimate of the date for completion of the record of survey, the reasons for the delay, and a general statement as to the location of the survey, including the assessor's parcel number or numbers.

The licensed land surveyor or registered civil engineer shall not initially be required to provide specific details of the survey. However, if other surveys at the same location are performed by others which may affect or be affected by the survey, the licensed

land surveyor or registered civil engineer shall then provide information requested by the county surveyor without unreasonable delay.

Any record of survey filed with the county surveyor shall, after being examined by him or her, be filed with the county recorder.

SEC. 220. Section 8802 of the Business and Professions Code is amended to read:

8802. Except as otherwise provided in this article, licenses issued under this chapter may be renewed at any time within three years after expiration on filing of application for renewal on a form prescribed by the board and payment of all accrued and unpaid renewal fees. If the license is renewed more than 30 days after its expiration, the licensee, as a condition precedent to renewal, shall also pay the delinquency fee prescribed by this chapter. Renewal under this section shall be effective on the date on which the application is filed, on the date on which the renewal fee is paid, or on the date on which the delinquency fee, if any, is paid, whichever last occurs. If so renewed, the license shall continue in effect through the date provided in Section 8801 which next occurs after the effective date of the renewal, when it shall expire if it is not again renewed.

SEC. 221. Section 8803 of the Business and Professions Code is amended to read:

8803. A license which is not renewed within three years after its expiration may not be renewed, restored, reissued, or reinstated thereafter, unless all of the following apply:

(a) The licensee has not committed any acts or crimes constituting grounds for denial of licensure under Section 480.

(b) The licensee pays all of the fees which would be required if applying for the license for the first time. If the registrant or certificate holder has been practicing in this state with an expired or delinquent license and receives a waiver from taking the examination as specified in subdivision (c) then he or she shall pay all accrued and unpaid renewal fees.

(c) The licensee takes and passes the examination which would be required if applying for the license for the first time, or otherwise establishes to the satisfaction of the board that, with due regard for the public interest, the licensee is qualified to engage in the practice of land surveying.

The board may, by appropriate regulation, authorize the waiver or refund of all or any part of the application fee in those cases in which a license is issued without an examination under this section.

SEC. 222. Section 8806 of the Business and Professions Code is repealed.

SEC. 223. Section 9662 of the Business and Professions Code is amended to read:

9662. Commencing January 1, 1994, the current address, telephone number, and name of the Cemetery Board shall appear prominently on any contract for goods and services offered by a

cemetery authority or crematory. At a minimum the information shall be in 8-point boldface type and make the following statement:

“FOR MORE INFORMATION ON CEMETERY AND CREMATION MATTERS, CONTACT: THE CEMETERY BOARD, (ADDRESS); TELEPHONE NUMBER (NUMBER).”

For the period January 1, 1993, through December 31, 1993, a cemetery authority or crematory operator shall supply the above information in writing when presenting a sales contract to any individual.

SEC. 224. Section 18605 of the Business and Professions Code is amended to read:

18605. A majority of the appointed members of the commission constitute a quorum for the transaction of business. The affirmative vote of a majority of those commissioners present at a meeting of the commission constituting at least a quorum is necessary to render a decision or pass a motion.

SEC. 225. Section 13401 of the Corporations Code is amended to read:

13401. As used in this part:

(a) “Professional services” means any type of professional services which may be lawfully rendered only pursuant to a license, certification, or registration authorized by the Business and Professions Code or the Chiropractic Act.

(b) “Professional corporation” means a corporation organized under the General Corporation Law or pursuant to subdivision (b) of Section 13406 which is engaged in rendering professional services in a single profession, except as otherwise authorized in Section 13401.5, pursuant to a certificate of registration issued by the governmental agency regulating the profession as herein provided and which in its practice or business designates itself as a professional or other corporation as may be required by statute. However, any professional corporation or foreign professional corporation rendering professional services by persons duly licensed by the Medical Board of California or any examining committee under the jurisdiction of the board, the State Board of Pharmacy, the Board of Examiners in Veterinary Medicine, the Board of Architectural Examiners, the Certified Court Reporters Board, or the Board of Registered Nursing shall not be required to obtain a certificate of registration in order to render those professional services.

(c) “Foreign professional corporation” means a corporation organized under the laws of a state of the United States other than this state that is engaged in a profession of a type for which there is authorization in the Business and Professions Code for the performance of professional services by a professional corporation.

(d) “Licensed person” means any natural person who is duly licensed under the provisions of the Business and Professions Code or the Chiropractic Act to render the same professional services as

are or will be rendered by the professional corporation or foreign professional corporation of which he or she is or intends to become, an officer, director, shareholder, or employee.

(e) "Disqualified person" means a licensed person who for any reason becomes legally disqualified (temporarily or permanently) to render the professional services which the particular professional corporation or foreign professional corporation of which he or she is an officer, director, shareholder, or employee is or was rendering.

SEC. 226. Section 13401.5 of the Corporations Code is amended to read:

13401.5. Notwithstanding subdivision (c) of Section 13401 and any other provision of law, the following licensed persons may be shareholders, officers, directors, or professional employees of the professional corporations designated in this section so long as the sum of all shares owned by those licensed persons does not exceed 49 percent of the total number of shares of the professional corporation so designated herein, and so long as the number of those licensed persons owning shares in the professional corporation so designated herein does not exceed the number of persons licensed by the governmental agency regulating the designated professional corporation:

- (a) Medical corporation.
 - (1) Licensed doctors of podiatric medicine.
 - (2) Licensed psychologists.
 - (3) Registered nurses.
 - (4) Licensed optometrists.
 - (5) Licensed marriage, family and child counselors.
 - (6) Licensed clinical social workers.
 - (7) Licensed physician assistants.
 - (8) Licensed chiropractors.
- (b) Podiatric medical corporation.
 - (1) Licensed physicians and surgeons.
 - (2) Licensed psychologists.
 - (3) Registered nurses.
 - (4) Licensed optometrists.
 - (5) Licensed chiropractors.
- (c) Psychological corporation.
 - (1) Licensed physicians and surgeons.
 - (2) Licensed doctors of podiatric medicine.
 - (3) Registered nurses.
 - (4) Licensed optometrists.
 - (5) Licensed marriage, family and child counselors.
 - (6) Licensed clinical social workers.
 - (7) Licensed chiropractors.
- (d) Speech pathology corporation.
 - (1) Licensed audiologist.
- (e) Audiology corporation.
 - (1) Licensed speech pathologist.
- (f) Nursing corporation.

- (1) Licensed physicians and surgeons.
- (2) Licensed doctors of podiatric medicine.
- (3) Licensed psychologists.
- (4) Licensed optometrists.
- (5) Licensed marriage, family and child counselors.
- (6) Licensed clinical social workers.
- (7) Licensed physician assistants.
- (8) Licensed chiropractors.
- (g) Marriage, family and child counseling corporation.
- (1) Licensed physicians and surgeons.
- (2) Licensed psychologists.
- (3) Licensed clinical social workers.
- (4) Registered nurses.
- (5) Licensed chiropractors.
- (h) Licensed clinical social worker corporation.
- (1) Licensed physicians and surgeons.
- (2) Licensed psychologists.
- (3) Licensed marriage, family and child counselors.
- (4) Registered nurses.
- (5) Licensed chiropractors.
- (i) Physician assistants corporation.
- (1) Licensed physicians and surgeons.
- (2) Registered nurses.
- (j) Optometric corporation.
- (1) Licensed physicians and surgeons.
- (2) Licensed doctors of podiatric medicine.
- (3) Licensed psychologists.
- (4) Registered nurses.
- (5) Licensed chiropractors.
- (k) Chiropractic corporation.
- (1) Licensed physicians and surgeons.
- (2) Licensed doctors of podiatric medicine.
- (3) Licensed psychologists.
- (4) Registered nurses.
- (5) Licensed optometrists.
- (6) Licensed marriage, family, and child counselors.
- (7) Licensed clinical social workers.

SEC. 227. Section 69274.6 of the Education Code is amended to read:

69274.6. When making recommendations to the Director of the Office of Statewide Health Planning and Development concerning the funding of family practice programs or departments, family practice residencies, and programs for the training of primary care physician assistants and primary care nurse practitioners, the commission shall give priority to programs that have demonstrated success in the following areas:

- (a) Actual placement of individuals in medically underserved areas.
- (b) Success in attracting and admitting members of minority

groups to the program.

(c) Success in attracting and admitting individuals who were former residents of medically underserved areas.

(d) Location of the program in a medically underserved area.

(e) The degree to which the program has agreed to accept individuals with an obligation to repay loans awarded pursuant to the Minority Health Professions Education Fund.

SEC. 228. Section 94304 of the Education Code is amended to read:

94304. (a) There is hereby established in state government a Council for Private Postsecondary and Vocational Education. The council shall have the responsibility for approving and regulating private postsecondary educational institutions and for developing state policies for private postsecondary and vocational education in California. The council shall represent the private postsecondary educational institutions in all state level planning and policy discussions about postsecondary and vocational education, and shall have as its objective the development of a strong, vigorous, and widely respected sector of private postsecondary and vocational education.

(b) The council shall be composed of 15 voting members, including the following representatives:

(1) Two representatives from private degree granting institutions approved under Section 94310.

(2) Two representatives from vocational institutions approved under Section 94311.

(3) Two representatives from accredited private postsecondary institutions operating in California. One representative shall be from an out-of-state accredited degree-granting postsecondary educational institution approved under Section 94310, and one representative shall be from an accredited vocational institution approved under Section 94311.

(4) A representative of the California Student Aid Commission, nominated by the executive director of the commission, and appointed by the Governor.

(5) The Superintendent of Public Instruction, or his or her designee.

(6) The Secretary of State and Consumer Services, or his or her designee.

(7) Six members of the general public.

(8) The appointment process for the council shall be as follows:

(A) The Governor shall appoint one representative from an institution approved under Section 94310, one representative from a vocational institution approved under Section 94311, one representative from an accredited vocational school, and three members from the general public.

(B) The Senate Rules Committee shall appoint one representative from an institution approved under Section 94310, one representative from an out-of-state accredited degree granting

college or university operating in California, and one member of the general public.

(C) The Speaker of the Assembly shall appoint one representative from a vocational institution approved under Section 94311, and two members of the general public.

(D) The institutional representatives shall be appointed from a list or lists of persons nominated by private postsecondary or vocational educational institutions.

(9) In addition, the following shall serve as nonvoting ex officio members of the council:

(A) The Attorney General of the State of California, or his or her designee.

(B) The Director of the Department of Employment Development, or his or her designee.

(C) The Director of the California Postsecondary Education Commission, or his or her designee.

(D) The Director of the Youth, Adult, and Alternative Educational Services Division of the State Department of Education, or his or her designee.

(E) The Chancellor of the California Community Colleges, or his or her designee.

(10) The members of the council designated in paragraphs (5) and (6) shall serve at the pleasure of their respective appointing authorities. All other voting members of the council shall serve a four-year term, and no members shall serve more than two full terms.

(11) Any person appointed to the council as a representative from an institution described in paragraphs (1) to (3), inclusive, who no longer represents the institutions that made him or her eligible for appointment shall automatically and immediately forfeit his or her membership on the council, thereby creating an immediate vacancy. Any person appointed to the council as a member of the general public pursuant to paragraph (7) who no longer qualifies as a member of the general public shall automatically and immediately forfeit his or her membership on the council, thereby creating an immediate vacancy.

(12) No person who is employed by an institution of public or private postsecondary or vocational education, or who is employed by a private organization owning an interest in a private postsecondary or vocational institution, shall be appointed to, or serve on, the council as a member of the general public.

(13) It is the intent of the Legislature that the members of the general public appointed to the council have a strong interest in developing private postsecondary and vocational education, and include representation from businesses that employ persons in positions requiring academic, vocational, or technical education.

(c) It is the intent of the Legislature that the council shall be broadly and equitably representative of the general public and that it include adequate representation on the basis of gender and on the

basis of the significant racial, ethnic, and economic groups in the state. No person appointed pursuant to this section shall, with respect to any matter before the council, vote for or on behalf of, or in any way exercise the vote of, any other member of the council.

(d) The council shall meet as often as it deems necessary to carry out its duties and responsibilities. Any member of the council who in any calendar year misses more than one-third of the meetings of the full council forfeits his or her office, thereby creating a vacancy.

(e) The council shall select a chair from among the members representing the general public. The chair shall hold office for a term of two years.

(f) The council may appoint any subcommittees or advisory committees it deems necessary to advise the council on matters of educational policy. The council shall appoint and may remove a director in the manner prescribed in this section. The director shall appoint persons to any civil service staff positions authorized by the council. The staffing shall include individuals with responsibilities for each of the following areas:

(1) The approval of vocational institutions.

(2) The approval of degree granting institutions.

(3) The approval of courses offered to veterans by vocational and degree granting institutions. For the purposes of implementing the requirements of this paragraph, the council is hereby designated as the state agency responsible for the administration of veteran educational benefit programs.

(4) Institutional relations to develop strong relationships with agencies such as the State Department of Education, the California Postsecondary Education Commission, the Student Aid Commission, the Department of Consumer Affairs, and nongovernmental accrediting associations.

(5) Legislative and public affairs.

(6) Staff administrative services.

(g) It is the intent of the Legislature that the council's approval and regulating responsibilities be funded solely through approval fees and federal funding provided to implement the approval process for courses offered to veterans by vocational and degree granting institutions. All fees derived from postsecondary degree granting institutions and their veterans' educational benefits shall be deposited in a special degree granting institution account, which is hereby created, in the Private Postsecondary and Vocational Education Administration Fund. All fees derived from vocational education institutions and their veterans' educational benefits shall be deposited into a special vocational education account, which is hereby created, in the Private Postsecondary and Vocational Education Administration Fund. The council shall establish an accounting procedure to allocate the time required to approve all degree granting institutions and all vocational education institutions and shall charge these accounts accordingly. Any general administrative expenses shall be allocated on a pro rata basis.

(h) The council shall prescribe rules for the transaction of its own affairs, subject to all the following requirements and limitations:

(1) The votes of all representatives shall be recorded.

(2) Effective action shall require the affirmative vote of a majority of all the duly appointed members of the council, not including vacant council seats.

(3) The affirmative votes of two-thirds of all the duly appointed members of the council, not including vacant council seats, shall be necessary for the appointment or removal of the director.

(i) There is hereby established an advisory committee to the council and the director, consisting of representatives of the State Board of Barbering and Cosmetology, the Board of Vocational Nurse and Psychiatric Technician Examiners, the Board of Behavioral Science Examiners, the California Committee of Bar Examiners, the Commissioner of Real Estate, and other state agencies responsible for monitoring private postsecondary institutions. Meeting agenda items and associated documents of the council shall be provided to the advisory committee in a timely manner.

SEC. 229. Section 1322 of the Government Code is amended to read:

1322. In addition to any other statutory provisions requiring confirmation by the Senate of officers appointed by the Governor, the appointments by the Governor of the following officers and the appointments by him or her to the listed boards and commissions are subject to confirmation by the Senate:

- (1) California Horse Racing Board.
- (2) Court Reporters Board of California.
- (3) Chief, Division of Occupational Safety and Health.
- (4) Chief, Division of Labor Standards Enforcement.
- (5) Commissioner of Corporations.
- (6) Contractors State License Board.
- (7) Director of Fish and Game.
- (8) State Director of Health Services.
- (9) Chief Deputy, State Department of Health Services.
- (10) Real Estate Commissioner.
- (11) State Athletic Commissioner.
- (12) State Board of Barbering and Cosmetology Examiners.
- (13) State Librarian.
- (14) Director of Social Services.
- (15) Chief Deputy, State Department of Social Services.
- (16) Director of Mental Health.
- (17) Chief Deputy, State Department of Mental Health.
- (18) Director of Developmental Services.
- (19) Chief Deputy, State Department of Developmental Services.
- (20) Director of Alcohol and Drug Abuse.
- (21) Director of Rehabilitation.
- (22) Chief Deputy, Department of Rehabilitation.
- (23) Director of the Office of Statewide Health Planning and Development.

(24) Deputy, Health and Welfare Agency.

SEC. 230. Section 11126 of the Government Code is amended to read:

11126. (a) Nothing in this article shall be construed to prevent a state body from holding closed sessions during a regular or special meeting to consider the appointment, employment, or dismissal of a public employee or to hear complaints or charges brought against that employee by another person or employee unless the employee requests a public hearing. As a condition to holding a closed session on the complaints or charges to consider disciplinary action or to consider dismissal, the employee shall be given written notice of his or her right to have a public hearing, rather than a closed session, which notice shall be delivered to the employee personally or by mail at least 24 hours before the time for holding a regular or special meeting. If notice is not given, any disciplinary or other action taken against any employee at the closed session shall be null and void. The state body also may exclude from any public or closed session, during the examination of a witness, any or all other witnesses in the matter being investigated by the state body. Following the public hearing or closed session, the body may deliberate on the decision to be reached in a closed session.

For the purposes of this section, "employee" shall not include any person who is elected to, or appointed to a public office by, any state body. However, officers of the California State University who receive compensation for their services, other than per diem and ordinary and necessary expenses, shall, when engaged in that capacity, be considered employees.

(b) Nothing in this article shall be construed to prevent state bodies which administer the licensing of persons engaging in businesses or professions from holding closed sessions to prepare, approve, grade, or administer examinations.

(c) Nothing in this article shall be construed to prevent an advisory body of a state body which administers the licensing of persons engaged in businesses or professions from conducting a closed session to discuss matters which the advisory body has found would constitute an unwarranted invasion of the privacy of an individual licensee or applicant if discussed in an open meeting, provided the advisory body does not include a quorum of the members of the state body it advises. Those matters may include review of an applicant's qualifications for licensure and an inquiry specifically related to the state body's enforcement program concerning an individual licensee or applicant where the inquiry occurs prior to the filing of a civil, criminal, or administrative disciplinary action against the licensee or applicant by the state body.

(d) Nothing in this article shall be construed to prohibit a state body from holding a closed session to deliberate on a decision to be reached in a proceeding required to be conducted pursuant to Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 or similar provisions of law.

(e) Nothing in this article shall be construed to prevent any state body from holding a closed session to consider matters affecting the national security.

(f) Nothing in this article shall be construed to grant a right to enter any correctional institution or the grounds of a correctional institution where that right is not otherwise granted by law, nor shall anything in this article be construed to prevent a state body from holding a closed session when considering and acting upon the determination of a term, parole, or release of any individual or other disposition of an individual case, or if public disclosure of the subjects under discussion or consideration is expressly prohibited by statute.

(g) Nothing in this article shall be construed to prevent any closed session to consider the conferring of honorary degrees, or gifts, donations, and bequests which the donor or proposed donor has requested in writing to be kept confidential.

(h) Nothing in this article shall be construed to prevent the Alcoholic Beverage Control Appeals Board from holding a closed session for the purpose of holding a deliberative conference as provided in Section 11125.

(i) Nothing in this article shall be construed to prevent a state body from holding closed sessions with its negotiator prior to the purchase, sale, exchange, or lease of real property by or for the state body to give instructions to its negotiator regarding the price and terms of payment for the purchase, sale, exchange, or lease.

However, prior to the closed session, the state body shall hold an open and public session in which it identifies the real property or real properties which the negotiations may concern and the person or persons with whom its negotiator may negotiate.

For purposes of this subdivision, the negotiator may be a member of the state body.

For purposes of this subdivision, "lease" includes renewal or renegotiation of a lease.

Nothing in this subdivision shall preclude a state body from holding a closed session for discussions regarding eminent domain proceedings pursuant to subdivision (q).

(j) (1) Nothing in this article shall be construed to prevent the California Postsecondary Education Commission from holding closed sessions to consider matters pertaining to the appointment or termination of the Director of the California Postsecondary Education Commission.

(2) Nothing in this article shall be construed to prevent the Council for Private Postsecondary and Vocational Education from holding closed sessions to consider matters pertaining to the appointment or termination of the Executive Director of the Council for Private Postsecondary and Vocational Education.

(k) Nothing in this article shall be construed to prevent the Franchise Tax Board from holding closed sessions for the purpose of discussion of confidential tax returns or data the public disclosure of which is prohibited by law, or from considering matters pertaining

to the appointment or removal of the executive officer of the Franchise Tax Board.

(l) Nothing in this article shall be construed to prevent the Board of Corrections from holding closed sessions when considering reports of crime conditions under Section 6027 of the Penal Code.

(m) Nothing in this article shall be construed to prevent the State Air Resources Board from holding closed sessions when considering the proprietary specifications and performance data of manufacturers.

(n) Nothing in this article shall be construed to prevent a state body that invests retirement, pension, or endowment funds from holding closed sessions when considering investment decisions. For purposes of consideration of shareholder voting on corporate stocks held by the state body, closed sessions for the purposes of voting may be held only with respect to election of corporate directors, election of independent auditors, and other financial issues that could have a material effect on the net income of the corporation. For the purpose of real property investment decisions that may be considered in a closed session pursuant to this subdivision, a state body shall also be exempt from the provision of subdivision (i) relating to the identification of real properties prior to the closed session.

(o) Nothing in this article shall be construed to prevent a state body, or boards, commissions, administrative officers, or other representatives that may properly be designated by law or by a state body, from holding closed sessions with its representatives in discharging its responsibilities under Chapter 10 (commencing with Section 3500) of Division 4 of Title 1 as the sessions relate to salaries, salary schedules, or compensation paid in the form of fringe benefits. For the purposes enumerated in the preceding sentence, a state body may also meet with a state conciliator who has intervened in the proceedings.

(p) Notwithstanding any other provision of law, any meeting of the Public Utilities Commission at which the rates of entities under the commission's jurisdiction are changed shall be open and public.

Nothing in this article shall be construed to prevent the Public Utilities Commission from holding closed sessions to deliberate on the institution of proceedings, or disciplinary actions against regulated utilities.

(q) Nothing in this article shall be construed to prevent a state body, based on the advice of its legal counsel, from holding a closed session to confer with, or receive advice from, its legal counsel regarding pending litigation when discussion in open session concerning those matters would prejudice the position of the state body in the litigation.

For purposes of this article, all expressions of the lawyer-client privilege other than those provided in this subdivision are hereby abrogated. This subdivision is the exclusive expression of the lawyer-client privilege for purposes of conducting closed-session

meetings pursuant to this article. For purposes of this subdivision, litigation shall be considered pending when any of the following circumstances exist:

(1) An adjudicatory proceeding before a court, an administrative body exercising its adjudicatory authority, a hearing officer, or an arbitrator, to which the state body is a party, has been initiated formally.

(2) (A) A point has been reached where, in the opinion of the state body on the advice of its legal counsel, based on existing facts and circumstances, there is a significant exposure to litigation against the state body; or

(B) Based on existing facts and circumstances, the state body is meeting only to decide whether a closed session is authorized pursuant to subparagraph (A).

(3) Based on existing facts and circumstances, the state body has decided to initiate or is deciding whether to initiate litigation.

The legal counsel of the state body shall prepare and submit to it a memorandum stating the specific reasons and legal authority for the closed session. If the closed session is pursuant to paragraph (1), the memorandum shall include the title of the litigation. If the closed session is pursuant to paragraph (2) or (3), the memorandum shall include the existing facts and circumstances on which it is based. The legal counsel shall submit the memorandum to the state body prior to the closed session, if feasible, and in any case no later than one week after the closed session. The memorandum shall be exempt from disclosure pursuant to Section 6254.25.

For purposes of this subdivision, "litigation" includes any adjudicatory proceeding, including eminent domain, before a court, administrative body exercising its adjudicatory authority, hearing officer, or arbitrator.

Disclosure of a memorandum required under this subdivision shall not be deemed as a waiver of the lawyer-client privilege, as provided for under Article 3 (commencing with Section 950) of Chapter 4 of Division 8 of the Evidence Code.

(r) Nothing in this article shall be construed to prevent a state body operating under a joint powers agreement for insurance pooling from holding a closed session to discuss a claim for the payment of tort liability or public liability losses incurred by the state body or any member agency under the joint powers agreement.

(s) Nothing in this article shall be construed to prevent the examining committee established by the State Board of Forestry, pursuant to Section 763 of the Public Resources Code, from conducting a closed session to consider disciplinary action against an individual professional forester prior to the filing of an accusation against the forester pursuant to Section 11503.

(t) Nothing in this article shall be construed to prevent an administrative committee established by the State Board of Accountancy pursuant to Section 5020 or 5020.3 of the Business and Professions Code from conducting a closed session to consider

disciplinary action against an individual accountant prior to the filing of an accusation against the accountant pursuant to Section 11503. Nothing in this article shall be construed to prevent an examining committee established by the Board of Accountancy pursuant to Section 5023 of the Business and Professions Code from conducting a closed hearing to interview an individual applicant or accountant regarding the applicant's qualifications.

(u) Nothing in this article shall be construed to prevent a state body, as defined in Section 11121.2, from conducting a closed session to consider any matter that properly could be considered in closed session by the state body whose authority it exercises.

(v) Nothing in this article shall be construed to prevent a state body, as defined in Section 11121.7, from conducting a closed session to consider any matter that properly could be considered in a closed session by the body defined as a state body pursuant to Section 11121, 11121.2, or 11121.5.

(w) Nothing in this article shall be construed to prevent a state body, as defined in Section 11121.8, from conducting a closed session to consider any matter that properly could be considered in a closed session by the state body it advises.

(x) Nothing in this article shall be construed to prevent the State Board of Equalization from holding closed sessions for either of the following:

(1) When considering matters pertaining to the appointment or removal of the executive secretary of the State Board of Equalization.

(2) For the purpose of hearing confidential taxpayer appeals or data, the public disclosure of which is prohibited by law.

(y) Nothing in this article shall be construed to prevent the California Earthquake Prediction Evaluation Council, or other body appointed to advise the Director of the Office of Emergency Services or the Governor pursuant to Section 8590 concerning matters relating to volcanic or earthquake predictions, from holding closed sessions when considering the evaluation of possible predictions.

(z) This article shall not prevent the Teachers' Retirement Board or the Board of Administration of the Public Employees' Retirement System from holding closed sessions when considering matters pertaining to the recruitment, appointment, employment, or removal of the chief executive officer or when considering matters pertaining to the recruitment or removal of the chief investment officer of the State Teachers' Retirement System or the Public Employees' Retirement System.

(aa) This article shall not prevent the Commission on Teacher Credentialing from holding closed sessions when considering matters relating to the recruitment, appointment, or removal of its executive director.

SEC. 231. Section 11501 of the Government Code is amended to read:

11501. (a) This chapter applies to any agency as determined by

the statutes relating to that agency.

(b) The enumerated agencies referred to in Section 11500 are:
 Accountancy, State Board of
 Air Resources Board, State
 Alcohol and Drug Programs, State Department of
 Alcoholic Beverage Control, Department of
 Architectural Examiners, California Board of
 Attorney General
 Auctioneer Commission, Board of Governors of
 Automotive Repair, Bureau of
 Barbering and Cosmetology, State Board of
 Behavioral Science Examiners, Board of
 Boating and Waterways, Department of
 Cancer Advisory Council
 Cemetery Board
 Chiropractic Examiners, Board of
 Security and Investigative Services, Bureau of
 Community Colleges, Board of Governors of the California
 Conservation, Department of
 Consumer Affairs, Department of
 Contractors, State License Board
 Corporations, Commissioner of
 Court Reporters Board of California
 Dental Examiners of California, Board of
 Education, State Department of
 Electronic and Appliance Repair, Bureau of
 Engineers and Land Surveyors, State Board of Registration for
 Professional
 Fair Political Practices Commission
 Fire Marshal, State
 Food and Agriculture, Director of
 Forestry and Fire Protection, Department of
 Funeral Directors and Embalmers, State Board of
 Geologists and Geophysicists, State Board of Registration for
 Guide Dogs for the Blind, State Board of
 Health Services, State Department of
 Highway Patrol, Department of the California
 Home Furnishings and Thermal Insulation, Bureau of
 Horse Racing Board, California
 Housing and Community Development, Department of
 Insurance Commissioner
 Labor Commissioner
 Landscape Architects, State Board of
 Medical Board of California, Medical Quality Review Committees
 and Examining Committees
 Motor Vehicles, Department of
 Nursing, Board of Registered
 Nursing Home Administrators, Board of Examiners of
 Optometry, State Board of

Osteopathic Medical Board of California
 Pharmacy, California State Board of
 Podiatric Medicine, Board of
 Psychology, Board of
 Public Employees' Retirement System, Board of Administration of
 the
 Real Estate, Department of
 San Francisco, San Pablo and Suisun, Board of Pilot Commissioners
 for the Bays of
 Savings and Loan Commissioner
 School Districts
 Secretary of State, Office of
 Social Services, State Department of
 Statewide Health Planning and Development, Office of
 Structural Pest Control Board
 Tax Preparers Program
 Teacher Credentialing, Commission on
 Teachers' Retirement System, State
 Transportation, Department of, acting pursuant to the State
 Aeronautics Act
 Veterinary Medicine, Board of Examiners in
 Vocational Nurse and Psychiatric Technician Examiners of the
 State of California, Board of

SEC. 232. Section 11501.5 of the Government Code is amended to read:

11501.5. (a) The following state agencies shall provide language assistance at adjudicatory hearings pursuant to subdivision (d) of Section 11513:

Agricultural Labor Relations Board
 State Department of Alcohol and Drug Abuse
 Athletic Commission
 California Unemployment Insurance Appeals Board
 Board of Prison Terms
 State Board of Barbering and Cosmetology
 State Department of Developmental Services
 Public Employment Relations Board
 Franchise Tax Board
 State Department of Health Services
 Department of Housing and Community Development
 Department of Industrial Relations
 State Department of Mental Health
 Department of Motor Vehicles
 Notary Public Section, office of the Secretary of State
 Public Utilities Commission
 Office of Statewide Health Planning and Development
 State Department of Social Services
 Workers' Compensation Appeals Board
 Department of the Youth Authority
 Youthful Offender Parole Board

Bureau of Employment Agencies
 Department of Insurance
 State Personnel Board
 Board of Podiatric Medicine
 Board of Psychology

(b) Nothing in this section shall be construed to prevent any agency other than those listed in subdivision (a) from electing to adopt any of the procedures set forth in subdivision (d), (e), (f), (g), (h), or (i) of Section 11513, except that the State Personnel Board shall determine the general language proficiency of prospective interpreters as described in subdivisions (d) and (e) of Section 11513 unless otherwise provided for as described in subdivision (f) of Section 11513.

SEC. 233. Section 26509 of the Government Code is amended to read:

26509. (a) Notwithstanding any other provision of law, including any provision making records confidential, and including Title 1.8 (commencing with Section 1798) of Part 4 of Division 3 of the Civil Code, the district attorney shall be given access to, and may make copies of, any complaint against a person subject to regulation by a consumer-oriented state agency and any investigation of the person made by the agency, where that person is being investigated by the district attorney regarding possible consumer fraud.

(b) Where the district attorney does not take action with respect to the complaint or investigation, the material shall remain confidential.

(c) Where the release of the material would jeopardize an investigation or other duties of a consumer-oriented state agency, the agency shall have discretion to delay the release of the information.

(d) As used in this section, a consumer-oriented state agency is any state agency which regulates the licensure, certification, or qualification of persons to practice a profession or business within the state, where the regulation is for the protection of consumers who deal with the professionals or businesses. It includes, but is not limited to, all of the following:

- (1) The Board of Dental Examiners of California.
- (2) The Medical Board of California.
- (3) The State Board of Optometry.
- (4) The California State Board of Pharmacy.
- (5) The Board of Examiners in Veterinary Medicine.
- (6) The State Board of Accountancy.
- (7) The California State Board of Architectural Examiners.
- (8) The State Board of Barbering and Cosmetology.
- (9) The State Board of Registration for Professional Engineers.
- (10) The Contractors' State License Board.
- (11) The State Board of Funeral Directors and Embalmers.
- (12) The Structural Pest Control Board.
- (13) The Bureau of Home Furnishings and Thermal Insulation.

- (14) The Board of Registered Nursing.
- (15) The State Board of Fabric Care.
- (16) The Board of Chiropractic Examiners.
- (17) The Board of Behavioral Science Examiners.
- (18) The State Athletic Commission.
- (19) The Cemetery Board.
- (20) The State Board of Guide Dogs for the Blind.
- (21) The Bureau of Collection and Investigative Services.
- (22) The Court Reporters Board of California.
- (23) The Board of Vocational Nurse and Psychiatric Technician Examiners of the State of California.
- (24) The California State Board of Landscape Architects.
- (25) The Osteopathic Medical Board of California.
- (26) The Division of Investigation.
- (27) The Bureau of Automotive Repair.
- (28) The State Board of Registration for Geologists and Geophysicists.
- (29) The State Board of Examiners of Nursing Home Administrators.
- (30) The Department of Alcoholic Beverage Control.
- (31) The Department of Insurance.
- (32) The Public Utilities Commission.
- (33) The State Department of Health Services.
- (34) The New Motor Vehicle Board.

SEC. 234. Section 69942 of the Government Code is amended to read:

69942. No person shall be appointed to the position of official reporter of any court unless there is satisfactory evidence of his or her good moral character, and unless he or she has been first examined as to his or her competency by at least three members of the bar practicing in the court and designated by the judge or judges of the court, or has first obtained a license to practice as a certified shorthand reporter from the Court Reporters Board of California.

SEC. 235. Section 286.5 of the Health and Safety Code is amended to read:

286.5. In processing and awarding contracts, grants, or agreements pursuant to this article, the State Department of Health Services shall evaluate the ability of applicants to meet, to the maximum extent possible, the following criteria:

(a) The applicant's prior experience in providing community-based, comprehensive perinatal care and services to low-income women and infants.

(b) The applicant's ability to provide comprehensive perinatal care, either directly or through subcontract. Those services comprising comprehensive perinatal care include, but are not limited to, the following:

- (1) Initial and ongoing physical assessment.
- (2) Psychosocial assessments and counseling, and referral when appropriate.

(3) Nutrition assessments, counseling and referral to counseling on food supplement programs, vitamins, and breast-feeding.

(4) Health educational assessments, and intervention and referral, including childbirth preparation and parenting.

(5) Outreach and community education.

(6) Laboratory, radiology, and other specialized services as indicated.

(7) Delivery, postpartum followup, and pediatric care through the first year of life.

(c) The quality of care that is being, or has been provided to low-income women and infants by health care providers.

(d) Whether the area which is, or which will be, serviced by the applicant is medically underserved or has otherwise demonstrated the need for comprehensive, community-based perinatal services.

(e) The applicant's ability to use an appropriate multidisciplinary staff working as a team, in consultation with obstetricians, pediatricians, and family practitioners when appropriate, to provide a full range of comprehensive perinatal care services. Staffing patterns shall reflect, to the maximum extent feasible, at all levels, the cultural, linguistic, ethnic, and other social characteristics of the community served. This staff shall include at least one of those persons described in paragraphs (1) to (3), inclusive, of this subdivision, as follows, and may include, but not be limited to, a combination of those persons described in paragraphs (4) to (10), inclusive, of this subdivision, as follows:

(1) An obstetrician.

(2) A pediatrician.

(3) A family practice physician.

(4) Certified nurse midwives, public health nurses, nurse practitioners, or physician assistants.

(5) Nutritionists.

(6) Social workers.

(7) Health and childbirth educators.

(8) A family planning counselor.

(9) Community outreach peer workers.

(10) A translator.

SEC. 236. Section 447.30 of the Health and Safety Code is amended to read:

447.30. (a) The Legislature finds and declares that evidence exists to support the development of health promotion and health-risk reduction programs as an effective method of constraining the annual inflation rate for expenditures in the health industry. It is, therefore, the intent of the Legislature that a health manpower education program be developed to demonstrate the health promotion and health-risk reduction concept at educational institutions, with special emphasis on health manpower development in urban areas having a disproportionate share of disadvantaged and indigent persons.

(b) The Office of Statewide Health Planning and Development

shall establish a contract program for funding allied health manpower training projects related to health promotion and health-risk reduction. The contract program shall provide funds to eligible institutions, as determined by the statewide office, for all of the following purposes:

(1) Teaching existing and future primary care providers about health-risk reduction through the institutions' basic curricula.

(2) Recruiting, remediating, and retaining minority allied health professionals, including, but not limited to, physician assistants, nurse practitioners, nurse midwives, public health nurses, health educators, dietitians, and nutritionists, especially those who provide in-home patient care.

(3) Increasing the supply of medical care in underserved urban areas and demonstrating methods which reduce cost through the use of allied health personnel.

(c) These funds shall be available to institutions which currently operate programs for training family practice physicians, other primary care physicians, and those health professionals identified in paragraph (2) of subdivision (b).

(d) The recipients of the funds shall provide, but shall not be limited to providing, orientation and training of primary care providers in teaching methods related to patient health education and health promotion, such as educating allied health professionals in the principles of self-care management as it relates to specific health problems in medically underserved communities.

(e) The office shall consult with organizations and experts in the field regarding the establishment of this program, and beginning with the 1986-87 fiscal year, this program shall be implemented to the extent funds are provided in the Budget Act. This program shall be designed to accommodate an appropriation request in the range of forty thousand dollars (\$40,000) to eighty thousand dollars (\$80,000) per year.

(f) The Director of the Office of Statewide Health Planning and Development may waive any of the requirements of subdivisions (b) and (c) if a potential contractor demonstrates an ability to meet the goals and objectives of the program.

SEC. 237. Section 447.50 of the Health and Safety Code is amended to read:

447.50. (a) The Legislature hereby finds and declares that many people in the state are denied access to health care due to the lack of sufficient health care providers in some urban and rural communities, especially medically underserved areas.

(b) The Legislature further finds and declares that one way of increasing access to health care for those living in these communities may be to encourage the increased use of allied health professionals, such as registered dietitians, physical therapists, and physician assistants. Allied health professionals are an underrecognized, but important, human health care resource.

(c) The Legislature further finds and declares that data and other

information on the allied health professions and allied health professionals is unfortunately inadequate for serious policy-making purposes. While the value of allied health professionals is seldom disputed, there is a need for a study of the availability, need, utilization, and current distribution of these professionals, and other topics relevant to allied health professionals that could increase their use in the future, if appropriate.

SEC. 238. Section 10203 of the Health and Safety Code is amended to read:

10203. The medical and health section data and the time of death shall be completed and attested to by the physician and surgeon last in attendance, or in the case of a patient in a skilled nursing or intermediate care facility at the time of death, by the physician and surgeon last in attendance or by a licensed physician assistant under the supervision of the physician and surgeon last in attendance if the physician and surgeon or licensed physician assistant is legally authorized to certify and attest to these facts, and if the physician assistant has visited the patient within 72 hours of the patient's death. In the event the licensed physician assistant certifies the medical and health section data and the time of death, then the physician assistant shall also provide on the document the name of the last attending physician and surgeon and provide the coroner with a copy of the certificate of death. However, the medical health section data and the time of death shall be completed and attested to by the coroner in those cases in which he or she is required to complete the medical and health section data and certify and attest to these facts.

SEC. 239. Section 10225 of the Health and Safety Code is amended to read:

10225. The physician and surgeon last in attendance, or in the case of a patient in a skilled nursing or intermediate care facility at the time of death, the physician and surgeon last in attendance or a licensed physician assistant under the supervision of the physician and surgeon last in attendance, on a deceased person shall state on the certificate of death the disease or condition directly leading to death, antecedent causes, other significant conditions contributing to death and any other medical and health section data as may be required on the certificate; he or she shall also specify the time in attendance, the time he or she last saw the deceased person alive, and the hour and day on which death occurred, except in deaths required to be investigated by the coroner. The physician and surgeon or physician assistant shall specifically indicate the existence of any cancer as defined in subdivision (e) of Section 211.3, of which the physician and surgeon or physician assistant has actual knowledge.

A physician and surgeon may designate, one or more other physicians and surgeons who have access to the physician and surgeon's records, to act as agent for the physician and surgeon for purposes of the performance of his or her duties under this section, provided that any person so designated acts in consultation with the

physician and surgeon.

SEC. 240. Section 10250 of the Health and Safety Code is amended to read:

10250. A physician and surgeon, physician assistant, funeral director, or other person shall immediately notify the coroner when he or she has knowledge of a death which occurred or has charge of a body in which death occurred under any of the following circumstances:

- (a) Without medical attendance.
- (b) During the continued absence of the attending physician and surgeon.
- (c) Where the attending physician and surgeon or the physician assistant is unable to state the cause of death.
- (d) Where suicide is suspected.
- (e) Following an injury or an accident.
- (f) Under circumstances as to afford a reasonable ground to suspect that the death was caused by the criminal act of another.

Any person who does not notify the coroner as required by this section is guilty of a misdemeanor.

SEC. 241. Section 11027 of the Health and Safety Code is amended to read:

11027. (a) "Prescription" means an oral order or electronic transmission prescription for a controlled substance given individually for the person(s) for whom prescribed, directly from the prescriber to the furnisher or indirectly by means of a written order of the prescriber.

(b) "Electronic transmission prescription" includes both image and data prescriptions. "Electronic image transmission prescription" is any prescription order for which a facsimile of the order is received by a pharmacy from a licensed prescriber. "Electronic data transmission prescription" is any prescription order, other than an electronic image transmission prescription, which is electronically transmitted from a licensed prescriber to a pharmacy.

SEC. 242. Section 11164 of the Health and Safety Code is amended to read:

11164. Except as provided in Section 11167, no person shall prescribe a controlled substance, nor shall any person fill, compound, or dispense such a prescription unless it complies with the requirements of this section.

(a) Each prescription for a controlled substance classified in Schedule II shall be wholly written in ink or indelible pencil in the handwriting of the prescriber upon the official prescription form issued by the Department of Justice. Each prescription shall be prepared in triplicate, signed, and dated by the prescriber, and shall contain the name and address of the person for whom the controlled substance is prescribed, the name, quantity, and strength of the controlled substance prescribed, directions for use, and the address, category of professional licensure, and the federal controlled substance registration number of the prescriber. The original and

duplicate of the prescription shall be delivered to the pharmacist filling the prescription. The duplicate shall be retained by the pharmacist and the original, properly endorsed by the pharmacist with the name and address of the pharmacy, the pharmacy's state license number, the date the prescription was filled and the signature of the pharmacist, shall be transmitted to the Department of Justice at the end of the month in which the prescription was filled. Upon receipt of an incompletely prepared official prescription form of the Department of Justice, the pharmacist may enter on the face of the prescription the address of the patient.

(b) Each prescription for a controlled substance classified in Schedule III, IV, or V, except as authorized by subdivision (c), shall be subject to the following requirements:

(1) The prescription shall be signed and dated by the prescriber and shall contain the name of the person for whom the controlled substance is prescribed, the name and quantity of the controlled substance prescribed, and directions for use. With respect to prescriptions for controlled substances classified in Schedules III and IV, the signature, date, and information required by this paragraph shall be wholly written in ink or indelible pencil in the handwriting of the prescriber.

(2) In addition, the prescription shall contain the name, address, telephone number, category of professional licensure, and federal controlled substance registration number of the prescriber. The information required by this paragraph shall be either preprinted upon the prescription blank, typewritten, rubber stamped, or printed by hand. Notwithstanding any provision in this section, the prescriber's address, telephone number, category of professional licensure, or federal controlled substances registration number need not appear on the prescription if that information is readily retrievable in the pharmacy.

(3) The prescription shall also contain the address of the person for whom the controlled substance is prescribed. If the prescriber does not specify this address on the prescription, the pharmacist filling the prescription or an employee acting under the direction of the pharmacist shall write or type the address on the prescription or maintain this information in a readily retrievable form in the pharmacy.

(c) Any controlled substance classified in Schedule III, IV, or V may be dispensed upon an oral or electronically transmitted prescription, which shall be reduced to writing by the pharmacist filling the prescription or by any other person expressly authorized by provisions of the Business and Professions Code. The date of issue of the prescription and all the information required for a written prescription by subdivision (b) shall be included in the written record of the prescription. The pharmacist need not reduce to writing the address, telephone number, license classification, or federal registry number of the prescriber or the address of the patient if that information is readily retrievable in the pharmacy.

Pursuant to authorization of the prescriber, any employee of the prescriber on behalf of the prescriber may orally or electronically transmit a prescription for a controlled substance classified in Schedule III, IV, or V, if in these cases the written record of the prescription required by this subdivision specifies the name of the employee of the prescriber transmitting the prescription.

(d) The use of commonly used abbreviations shall not invalidate an otherwise valid prescription.

(e) Notwithstanding any provision of subdivisions (b) and (c), prescriptions for a controlled substance classified in Schedule V may be for more than one person in the same family with the same medical need.

(f) In addition to the prescriber's record required by Section 11190, any practitioner dispensing a controlled substance classified in Schedule II in accordance with subdivision (b) of Section 11158 shall prepare a written record thereof on the official forms issued by the Department of Justice, pursuant to Section 11161, and shall transmit the original to the Department of Justice in accordance with any rules that the department may adopt for completion and transmittal of the forms.

SEC. 243. Section 11167 of the Health and Safety Code is amended to read:

11167. In the event of an epidemic, accident, or calamity, any controlled substance classified in Schedule II may be dispensed upon an oral or electronically transmitted prescription if failure to issue a prescription might result in loss of life or intense suffering. Prior to filling an oral or electronic prescription, the pharmacist shall reduce it to writing. The date of issue of the prescription and all the information required for a written prescription by Section 11164 shall be included in the written record of the oral or electronic prescription.

Additionally, in an emergency a prescriber may issue a written prescription for a controlled substance classified in Schedule II upon a form other than the official prescription form issued by the Department of Justice. However, an oral or electronic prescription shall in all other respects comply with the requirements of subdivision (a) of Section 11164.

When an emergency oral or written prescription is issued pursuant to this section, the prescriber shall within 72 hours submit the prescription in the form required by Section 11164 to the pharmacy or pharmacist filling the prescription. If the prescriber does not provide the prescription within 72 hours, the pharmacist filling the emergency prescription shall, within 144 hours of the time the prescription was filled, so inform the Department of Justice, and in addition, shall maintain for three years a written, readily retrievable record identifying (1) the prescriber; (2) the name, strength, and quantity of the controlled substance dispensed; (3) the circumstances under which the emergency prescription was filled; and (4) the date and method of notifying the Department of Justice,

including the name or names of any departmental agents to whom oral notice was furnished.

SEC. 244. Section 11167.5 of the Health and Safety Code is amended to read:

11167.5. (a) An order for a controlled substance classified in Schedule II in a licensed skilled nursing facility, an intermediate care facility, or a licensed home health agency providing hospice care may be dispensed upon an oral or electronically transmitted prescription. Prior to filling the prescription, the pharmacist shall reduce it to writing in ink or indelible pencil in the handwriting of the pharmacist upon an official prescription form issued by the Department of Justice for that purpose. The prescriptions shall be prepared in triplicate and shall contain the date the prescription was orally or electronically transmitted by the prescriber, the name of the person for whom the prescription was authorized, the name and address of the licensed facility or home health agency providing hospice care in which that person is a patient, the name and quantity of the controlled substance prescribed, the directions for use, and the name, address, category of professional licensure, and federal controlled substance registration number of the prescriber. The duplicate shall be retained by the pharmacist, and the triplicate shall be forwarded to the prescriber by the end of the month in which the prescription was issued. The original shall be properly endorsed by the pharmacist with the pharmacy's state license number, the signature of the pharmacist, the name and address of the pharmacy, and the signature of the person who received the controlled substances for the licensed facility or home health agency providing hospice care and shall be forwarded by the pharmacist to the Department of Justice at the end of the month in which the prescription was filled. A skilled nursing facility, intermediate care facility, or licensed home health agency providing hospice care shall forward to the dispensing pharmacist a copy of any signed telephone orders, chart orders, or related documentation substantiating each oral or electronically transmitted prescription transaction under this section.

(b) For the purposes of this section, "hospice care" means interdisciplinary health care which is designed to alleviate the physical, emotional, social, and spiritual discomforts of an individual who is experiencing the last phases of a terminal disease and to provide supportive care for the primary care person and the family of the patient under hospice care.

SEC. 245. Section 11215 of the Health and Safety Code is amended to read:

11215. (a) Except as provided in subdivision (b), any narcotic controlled substance employed in treating an addict for addiction shall be administered by:

- (1) A physician and surgeon.
- (2) A registered nurse acting under the instruction of a physician and surgeon.

(3) A physician assistant licensed pursuant to Chapter 7.7 (commencing with Section 3500) of Division 2 of the Business and Professions Code acting under the patient-specific authority of his or her physician and surgeon supervisor approved pursuant to Section 3515 of the Business and Professions Code.

(b) When acting under the direction of a physician and surgeon, the following persons may administer methadone or other controlled substances orally in the treatment of an addict for addiction to a controlled substance:

(1) A psychiatric technician licensed pursuant to Chapter 10 (commencing with Section 4500) of Division 2 of the Business and Professions Code.

(2) A vocational nurse licensed pursuant to Chapter 6.5 (commencing with Section 2840) of Division 2 of the Business and Professions Code.

(3) A pharmacist licensed pursuant to Chapter 9 (commencing with Section 4000) of Division 2 of the Business and Professions Code.

(c) Except as permitted in this section, no person shall order, permit, or direct any other person to administer a narcotic controlled substance to a person being treated for addiction to a controlled substance.

SEC. 246. Section 14134.5 of the Welfare and Institutions Code is amended to read:

14134.5. All of the following provisions apply to the provision of services pursuant to subdivision (v) of Section 14132:

(a) "Comprehensive perinatal provider" means any general practice physician, family practice physician, obstetrician-gynecologist, pediatrician, certified nurse midwife, a group, any of whose members is one of the above-named physicians, or any preferred provider organization or clinic holding a valid and current Medi-Cal provider number and certified pursuant to the standards of this section.

(b) "Perinatal" means the period from the establishment of pregnancy to one month following delivery.

(c) "Comprehensive perinatal services" shall include, but not be limited to, the provision of the combination of services developed through the Department of Health Services Obstetrical Access Pilot Program.

(d) The comprehensive perinatal provider shall schedule visits with appropriate providers and shall track the patient to verify whether services have been received. As part of the reimbursement for coordinating these services, the comprehensive perinatal provider shall ensure the provision of the following services either through the provider's own service or through subcontracts or referrals to other providers:

(A) A psychosocial assessment and when appropriate referrals to counseling.

(B) Nutrition assessments and when appropriate referral to counseling on food supplement programs, vitamins and

breast-feeding.

(C) Health, childbirth, and parenting education.

(e) Except where existing law prohibits the employment of physicians, a health care provider may employ or contract with all of the following medical and other practitioners for the purpose of providing the comprehensive services delineated in this section:

(1) Physicians, including a general practitioner, a family practice physician, a pediatrician, or an obstetrician-gynecologist.

(2) Certified nurse midwives.

(3) Nurses.

(4) Nurse practitioners.

(5) Physician assistants.

(6) Social workers.

(7) Health and childbirth educators.

(8) Registered dietitians.

The department shall adopt regulations which define the qualifications of any of these practitioners who are not currently included under the regulations adopted pursuant to this chapter. Providers shall, as feasible, utilize staffing patterns which reflect the linguistic and cultural features of the populations they serve.

(f) The California Medical Assistance Program and the Maternal and Child Health Branch of the State Department of Health Services in consultation with the California Conference of Local Health Officers shall establish standards for health care providers and for services rendered pursuant to this subdivision.

(g) The department shall assist local health departments to establish a community perinatal program whose responsibilities may include certifying and monitoring providers of comprehensive perinatal services. The department shall provide the local health departments with technical assistance for the purpose of implementing the community perinatal program. The department shall, to the extent feasible, and to the extent funding for administrative costs is available, utilize local health departments in the administration of the perinatal program. If these funds are not available, the department shall use alternative means to implement the community perinatal program.

(h) It is the intent of the Legislature that the department shall establish a method for reimbursement of comprehensive perinatal providers which shall include a fee for coordinating services and which shall be sufficient to cover reasonable costs for the provision of comprehensive perinatal services. The department may utilize fees for service, capitated fees, or global fees to reimburse providers. However, if capitated or global fees are established, the department shall set minimum standards for the provision of services including, but not limited to, the number of prenatal visits and the amount and type of psychosocial, nutritional, and educational services patients shall receive.

Notwithstanding the type of reimbursement system, the comprehensive perinatal provider shall not be financially at risk for

the provision of inpatient services. The provision of inpatient services which are not related to perinatal care shall not be subject to the provisions of this section. Inpatient services related to services pursuant to this subdivision shall be reimbursed, in accordance with Section 14081, 14086, 14087, or 14087.2, whichever is applicable.

(i) The department shall develop systems for monitoring and oversight of the comprehensive perinatal services provided in this section. The monitoring shall include, but shall not be limited to, collection of information using the perinatal data form.

(j) Participation for services provided pursuant to this section shall be voluntary. The department shall adopt patient rights safeguards for recipients of the comprehensive perinatal services.

SEC. 247. Section 14132.55 of the Welfare and Institutions Code is amended to read:

14132.55. For the purposes of reimbursement under the Medi-Cal program, a speech pathologist or audiologist shall be licensed by the Speech-Language Pathology and Audiology Examining Committee of the Medical Board of California or similarly licensed by a comparable agency in the state in which he or she practices. Licensed speech-language pathologists or licensed audiologists are authorized to utilize and shall be reimbursed for the services of those personnel in the process of completing requirements under the provisions of subdivision (d) of Section 2532.2 of the Business and Professions Code.

SEC. 249. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs which may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, changes the definition of a crime or infraction, changes the penalty for a crime or infraction, or eliminates a crime or infraction. Notwithstanding Section 17580 of the Government Code, unless otherwise specified in this act, the provisions of this act shall become operative on the same date that the act takes effect pursuant to the California Constitution.

SEC. 250. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order that the consumer protections afforded by this act may be implemented as quickly as possible, it is necessary for this act to go into effect immediately.

CHAPTER 27

An act to amend Sections 43012, 44001.5, 44003, 44005, 44010, 44011, 44012, 44013, 44014, 44015, 44017, 44017.3, 44020, 44021, 44031.5, 44032, 44033, 44034, 44034.1, 44035, 44036, 44036.8, 44037, 44038, 44040, 44050, 44051, 44056, and 44060 of, to add Sections 39032.5, 44014.5, 44014.7, 44024, 44025, 44036.1, 44037.1, 44041, 44045.5, 44045.6, 44062.1, 44062.2, 44063, 44070.5, 44072.10, 44072.11, and 44081.6 to, to repeal Sections 44003.1, 44003.5, 44022, 44031, 44082, and 44083 of, and to repeal and add Sections 44000, 44001, and 44081 of, the Health and Safety Code, and to amend Sections 4000.3, 5204, and 27156 of, and to add Sections 9250.18 and 40517 to, the Vehicle Code, relating to vehicles, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor March 30, 1994. Filed with
Secretary of State March 30, 1994.]

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

SECTION 1. Section 39032.5 is added to the Health and Safety Code, to read:

39032.5. "Gross polluter" means a vehicle with excess hydrocarbon, carbon monoxide, or oxides of nitrogen emissions as established by the department in consultation with the state board.

SEC. 2. Section 43012 of the Health and Safety Code is amended to read:

43012. (a) For the purpose of enforcing or administering any federal, state, or local law, order, regulation, or rule relating to vehicular sources of emissions, the executive officer of the state board or an authorized representative of the executive officer, or a representative of the department, upon presentation of credentials or, if necessary under the circumstances, after obtaining an inspection warrant pursuant to Title 13 (commencing with Section 1822.50) of Part 3 of the Code of Civil Procedure, has the right of entry to any premises owned, operated, used, leased, or rented by any new or used car dealer, as defined in Sections 285, 286, and 426 of the Vehicle Code, for the purpose of inspecting any vehicle for which emissions standards have been enacted or adopted or for which emissions equipment is required and which is situated on the premises for the purpose of emission-related maintenance, repair, or service, or for the purpose of sale, lease, or rental, whether or not the vehicle is owned by the dealer. The inspection may extend to all emission-related parts and operations of the vehicle, and may require the on-premises operation of an engine or vehicle, the on-premises securing of samples of emissions from the vehicle, and the inspection of any records which relate to vehicular emissions required by the Environmental Protection Agency or by any state or local law, order, regulation, or rule to be maintained by the dealer in connection with

the dealer's business.

(b) The right of entry for inspection under this section is limited to the hours during which the dealer is open to the public, except when the entry is made pursuant to warrant or whenever the executive officer or an authorized representative, or a representative of the department, has reasonable cause to believe that a violation of any federal, state, or local law, order, regulation, or rule has been committed in his or her presence. No vehicle shall be inspected pursuant to this section more than one time without an inspection warrant or without reasonable cause unless the vehicle undergoes a change of ownership or the inspection reveals that the vehicle has failed to comply with required emissions standards or equipment, in which case one additional inspection may be made to verify the violation or to verify that the violation has been corrected.

(c) With respect to vehicles not owned by the dealer, the state board or the department may not prosecute, without the owner's knowledge or consent, any violation by the owner of any law pertaining to vehicular emissions unless prior notice of the inspection has been given to the owner.

(d) If the executive officer or authorized representative, or a representative of the department, upon inspection, finds that a used motor vehicle fails to comply with applicable emissions standards or equipment, the state board or the department shall issue a notice to correct. Until all violations in the notice have been corrected and the dealer has sent proof of correction by certified mail to the state board or the department, whichever issued the notice, the motor vehicle shall prominently display the following disclosure affixed to the windshield in at least 18-point type:

NOT FOR SALE

THIS VEHICLE IS PRESENTLY NOT IN COMPLIANCE WITH THE CALIFORNIA VEHICLE POLLUTION CONTROL LAWS AND MAY NOT BE SOLD UNTIL A VALID CERTIFICATE OF COMPLIANCE HAS BEEN ISSUED.

Any dealer who sells a vehicle prohibited to be sold under this subdivision is subject to a civil penalty of not to exceed one thousand dollars (\$1,000). For purposes of this subdivision, "proof of correction" shall consist of a copy of a certificate of compliance or noncompliance issued following the issuance of a notice to correct by a licensed test station or licensed repair station not affiliated with or owned by the dealer or any other proof of repair satisfactory to the inspecting officer. The dealer shall send the copy of the certificate of compliance or noncompliance by certified mail to the state board or the department, whichever issued the notice, within three days of obtaining the certificate.

(e) Civil penalties may be assessed or recovered for one or more violations by a dealer involving the tampering with or disabling of a

vehicle's air injection, exhaust gas recirculation, crankcase ventilation, fuel injection or carburetion systems, ignition timing or evaporative controls, fuel filler neck restrictor, oxygen sensor or electronic controls, or missing catalytic converter.

(f) No civil penalty or criminal penalty may be assessed for a violation by a dealer identified in a notice to correct as a result of an inspection under this section if the violation is related to lack of maintenance or customer tampering or vandalism, including, but not limited to, a missing gasoline filler cap and a disconnected or missing heated air intake tube or vacuum hose. However, if notices to correct are issued under this subdivision to more than 20 percent of the vehicles offered for sale on a dealer's premises during each of three consecutive inspections conducted 30 or more days apart during any one-year period, civil penalties may be assessed and recovered for each vehicle issued a notice to correct.

(g) If the executive officer or authorized representative, upon inspection, finds that a certificate of compliance or noncompliance was issued to a motor vehicle that fails to comply with applicable emissions standards or equipment, the state board shall immediately refer these findings to the department for investigation under Chapter 5 (commencing with Section 44000). The state board may refer any other suspected violation to the department for appropriate action.

(h) Notwithstanding Section 17150 of the Vehicle Code, the state shall be liable for any injury or damage caused by the negligent or wrongful act or omission of the operator of any vehicle which is operated pursuant to this section.

(i) This section provides the exclusive authority for inspections of motor vehicles for the purposes specified in this section.

(j) As used in this section, the terms "tampering" and "disabling" mean an unauthorized modification, alteration, removal, or disconnection.

SEC. 3. Section 44000 of the Health and Safety Code is repealed.

SEC. 4. Section 44000 is added to the Health and Safety Code, to read:

44000. By the enactment of the 1994 amendments to this chapter made pursuant to the act that added this section, the Legislature hereby declares its intent to meet or exceed the air quality standards established by the amendments enacted to the federal Clean Air Act in 1990 (42 U.S.C. Sec. 7401 et seq., as amended by P.L. 101-549), to enhance and improve the existing vehicle inspection and maintenance network, and to periodically monitor the performance of the network against stated objectives.

SEC. 5. Section 44001 of the Health and Safety Code is repealed.

SEC. 6. Section 44001 is added to the Health and Safety Code, to read:

44001. (a) The Legislature hereby finds and declares that California has been required, by the amendments enacted to the Clean Air Act in 1990, and by regulations adopted by the

Environmental Protection Agency, to enhance California's existing vehicle inspection and maintenance program to meet new, more stringent emission reduction targets. Therefore, the Legislature declares that the 1994 amendments to this chapter are adopted to implement further improvements in the existing inspection and maintenance program so that California will meet or exceed the new emission reduction targets.

(b) The Legislature further finds and declares all of the following:

(1) California is recognized as a leader in establishing performance standards for its air quality programs and those standards have been adopted by many other states and countries.

(2) Studies show that a minority of motor vehicles produce a disproportionate amount of the pollution caused by vehicle emissions. Those vehicles are referred to as gross polluters.

(3) The concept of periodic testing alone does not act as a sufficient deterrent to tampering, or as a sufficient incentive for vigilant vehicle maintenance by a significant percentage of motorists. Gross polluters continue to be driven on the roadways of California.

(4) New technology, known as remote sensing, offers great promise as a cost-effective means to detect vehicles emitting excess emissions as the vehicles are being driven. This type of detection offers many valuable applications, especially its use between scheduled tests, as an inexpensive, random, and pervasive means of identifying vehicles which are gross polluters and targeting those vehicles for repair or other methods of emission reduction.

(5) California continues to seek strict adherence to federal and state performance standards and to results-based evaluations that meet the state's unique circumstances, and which consist of all of the following:

(A) Acceptance of the shared obligation and personal responsibility required to successfully inspect and maintain millions of motor vehicles. Specifically, that obligation begins with this chapter, and extends through those regulators charged with its implementation and enforcement. Through the enactment of the 1994 amendments to this chapter, the Legislature hereby recognizes and seeks to encourage, through a number of innovative and significant steps, the critical role that each California motorist must play in maintaining his or her vehicle's emission control systems in proper working order, in such a way as to continuously meet mandated emission control standards and ensure for California the clean air essential to the health of its citizens, its communities, and its economy.

(B) A focus on the detection, diagnosis, and repair of broken, tampered, or malfunctioning vehicle emission control systems.

(C) Flexibility to incorporate future new scientific findings and technological advances.

(D) Consideration of convenience and costs to those who are required to participate, including motorists, smog check stations, and

technicians.

(E) An enforcement program which is vigorous and effective and includes monitoring of the performance of the smog check test or repair stations and technicians, as well as the monitoring of vehicle emissions as vehicles are being driven.

(c) The Legislature further finds and declares that California is, as of the effective date of this section, implementing a number of motor vehicle emission reduction strategies far beyond the effort undertaken by any other state, including all of the following:

(1) California certification standards exceed those of the other 49 states, increasing the cost of a new car to a California consumer by one hundred fifty dollars (\$150) or more.

(2) State board regulations mandate increasing availability for sale of low-emission, ultra-low emission, and zero-emission vehicles, including, by 1998, 2 percent; by 2001, 5 percent; and, by 2003, 10 percent zero-emission vehicles.

(3) Effective in 1996, state board regulations mandate the reformulation of gasoline for reduced emissions, at an estimated increased cost to the consumer of 12 to 17 cents per gallon due to refinery modifications and higher production costs.

(4) Cleaner diesel fuel regulations, more stringent than federal standards, took effect in California in October 1993, increasing diesel fuel costs by 4 to 6 cents per gallon.

(5) California law provides for vehicle registration surcharges of up to four dollars (\$4) per vehicle in nonattainment areas for air quality-related projects.

(6) California law taxes cleaner fuels at one-half the rate of gasoline and diesel fuel.

(7) California law provides tax credits for the purchase of low-emission vehicles.

(8) California requires smog checks and repairs whenever a vehicle changes ownership, some 3 million vehicles annually, in addition to the regular biennial tests.

(9) Low-value vehicles are discouraged from entering California due to the imposition of a three hundred dollar (\$300) smog impact fee on vehicles that are not manufactured to California certification standards.

(10) California imposes sales taxes on motor vehicle fuels and dedicates most of those revenues to mass transit. This increases the cost of fuels by seven cents (\$.07) per gallon.

(11) Transportation sales taxes in most urban counties also generate substantial funding for transit and other congestion-reduction measures, costing the average urban California resident fifty dollars (\$50) to one hundred dollars (\$100) annually, which would be the equivalent of another 8 to 16 cents per gallon of fuel.

SEC. 7. Section 44001.5 of the Health and Safety Code is amended to read:

44001.5. (a) There is in the Department of Consumer Affairs a

Bureau of Automotive Repair under the supervision and control of the director. A duty of enforcing and administering this chapter is vested in the chief of the bureau who is responsible to the director.

(b) The department shall take those actions consistent with its statutory authority to ensure that the reduction in vehicle emissions of hydrocarbons, carbon monoxide, and oxides of nitrogen meet or exceed the reductions required by the amendments enacted to the Clean Air Act in 1990. The department shall endeavor to achieve these vehicle emission reductions as expeditiously as practicable, but not later than the deadlines established by the amendments enacted to the Clean Air Act in 1990.

(c) The department shall also ensure that gross polluters are identified and failed when tested pursuant to this chapter and that vehicles meeting the state standards are protected from being falsely failed.

(d) The department may exercise the emergency rulemaking powers in Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code in order to promptly issue any regulations required to implement the 1994 amendments to this chapter.

SEC. 8. Section 44003 of the Health and Safety Code is amended to read:

44003. (a) (1) An enhanced vehicle inspection and maintenance program is established in each urbanized area of the state, any part of which is classified by the Environmental Protection Agency as a serious, severe, or extreme nonattainment area for ozone or a moderate or serious nonattainment area for carbon monoxide with a design value greater than 12.7 ppm, and in other areas of the state as provided in this chapter.

(2) A basic vehicle inspection and maintenance program shall be continued in all other areas of the state where a program was in existence under this chapter as of the effective date of this paragraph.

(b) The department may prescribe different test procedures and equipment requirements for those areas described in subdivision (a). Program components shall be operated in all program areas unless otherwise indicated, as determined by the department. In those areas where the biennial program is not implemented and smog check inspections are required to complete the requirements set forth in Sections 4000.1 and 4000.2 of the Vehicle Code, program elements that apply in basic areas, including test equipment requirements for smog check stations, shall apply.

(c) (1) Districts classified as attainment areas may request the department to implement all or part of the program elements defined in this chapter. However, the department shall not implement the program established by Section 44010.5 in any area other than an urbanized area, any part of which is classified by the Environmental Protection Agency as a serious, severe, or extreme nonattainment area for ozone or a moderate or serious

nonattainment area for carbon monoxide with a design value greater than 12.7 ppm.

(2) Districts that include areas classified as basic program nonattainment areas pursuant to subdivision (a) may, except as provided in paragraph (1), request the implementation in those areas of test procedures and equipment required for enhanced program areas and any other program requirement specified for enhanced program areas.

SEC. 9. Section 44003.1 of the Health and Safety Code is repealed.

SEC. 10. Section 44003.5 of the Health and Safety Code is repealed.

SEC. 11. Section 44005 of the Health and Safety Code is amended to read:

44005. (a) The Department of Motor Vehicles shall cooperate with the department in implementing any changes to enhance the program to achieve greater efficiency, cost-effectiveness, and convenience, or to reduce excess emissions in accordance with this chapter.

(b) The program shall provide for inspection of motor vehicles upon initial registration, biennially upon renewal of registration, upon transfer of ownership, upon the citation of a gross polluter pursuant to Section 44081, and as otherwise provided in this chapter.

SEC. 12. Section 44010 of the Health and Safety Code is amended to read:

44010. The motor vehicle inspection program shall provide for privately operated stations which shall be referred to as smog check stations and are authorized pursuant to Section 44015 to issue certificates of compliance or noncompliance to vehicles which meet the requirements of this chapter.

SEC. 13. Section 44011 of the Health and Safety Code is amended to read:

44011. (a) All motor vehicles powered by internal combustion engines which are registered within an area designated for program coverage shall be required biennially to obtain a certificate of compliance or noncompliance, except for all of the following:

(1) Every motorcycle, and every diesel-powered vehicle, until the department, pursuant to Section 44012, implements test procedures applicable to motorcycles or to diesel-powered vehicles, or both.

(2) Any motor vehicle which has been issued a certificate of compliance or noncompliance or an emission cost waiver upon a change of ownership or initial registration in this state during the preceding six months, or which has been issued a certificate of exemption pursuant to Section 4000.6 of the Vehicle Code.

(3) Any motor vehicle manufactured prior to the 1966 model-year.

(4) Any other motor vehicle which the department determines would present prohibitive inspection or repair problems.

(5) Any vehicle registered to the owner of a fleet licensed pursuant to Section 44020 if the vehicle is garaged exclusively outside

the area included in program coverage, and is not primarily operated inside the area included in program coverage.

(b) Vehicles designated for program coverage in enhanced areas shall be required to obtain inspections from appropriate smog check stations operating in enhanced areas.

SEC. 14. Section 44012 of the Health and Safety Code is amended to read:

44012. The test at the smog check stations shall be performed in accordance with procedures prescribed by the department, pursuant to Section 44013, shall require, at a minimum, loaded mode dynamometer testing in enhanced areas, and two-speed testing in all other program areas, and shall ensure all of the following:

(a) Emission control systems required by state and federal law are reducing excess emissions in accordance with the standards adopted pursuant to subdivisions (a) and (c) of Section 44013.

(b) Motor vehicles are preconditioned to ensure representative and stabilized operation of the vehicle's emission control system.

(c) For other than diesel-powered vehicles, the vehicle's exhaust emissions of hydrocarbons, carbon monoxide, carbon dioxide, and oxides of nitrogen in an idle mode or loaded mode are tested in accordance with procedures prescribed by the department. In determining how loaded mode and evaporative emissions testing shall be conducted, the department shall ensure that the emission reduction targets for the enhanced program are met.

(d) For other than diesel-powered vehicles, the vehicle's fuel evaporative system and crankcase ventilation system are tested to reduce any nonexhaust sources of volatile organic compound emissions, in accordance with procedures prescribed by the department.

(e) For diesel-powered vehicles, if the department determines that the inclusion of those vehicles is technologically and economically feasible, a visual inspection is made of emission control devices and the vehicle's exhaust emissions in an idle mode or loaded mode are tested in accordance with procedures prescribed by the department. The test may include testing of emissions of any or all of the pollutants specified in subdivision (c) and, upon the adoption of applicable standards, measurement of emissions of smoke or particulates, or both.

(f) A visual or functional check is made of emission control devices specified by the department, including the catalytic converter in those instances in which the department determines it to be necessary to meet the findings of Section 44001. The visual or functional check shall be performed in accordance with procedures prescribed by the department.

(g) A determination as to whether the motor vehicle complies with the emission standards for that vehicle's class and model-year as prescribed by the department.

(h) The test procedures may authorize smog check stations to refuse the testing of a vehicle that would be unsafe to test, or that

cannot physically be inspected, as specified by the department by regulation. The refusal to test a vehicle for those reasons shall not excuse or exempt the vehicle from compliance with all applicable requirements of this chapter.

SEC. 15. Section 44013 of the Health and Safety Code is amended to read:

44013. (a) (1) The department, in cooperation with the state board, shall prescribe maximum emission standards to be applied in inspecting motor vehicles under this chapter.

(2) In prescribing the standards, the department shall undertake studies and experiments which are necessary and feasible, evaluate available data, and confer with automotive engineers.

(3) The standards shall be set at a level reasonably achievable for each class and model of motor vehicle when operating in a reasonably sound mechanical condition, allowing for the effects of installed motor vehicle pollution control devices and the motor vehicle's age and total mileage.

(4) The standards shall be designed so that motor vehicles failing the test specified in Section 44012 will be operated, as soon as possible, with a substantial reduction in emissions, and shall be revised from time to time as experience justifies.

(b) The department, in cooperation with the state board, shall research and prescribe test procedures to be applied in inspecting motor vehicles under this chapter, which procedures shall be simple, cost-effective, and consistent with Section 44012. The department may revise the test procedures from time to time as experience justifies. To the extent that any test procedure revision requires new equipment, or a change in equipment, at licensed smog check stations, the department shall provide a reasonable period of time for the acquisition and installation of that new or changed equipment.

(c) Notwithstanding any other provision of this chapter, the maximum emission standards and test procedures prescribed in subdivisions (a) and (b) for a motor vehicle class and model-year shall not be more stringent than the emission standards and test procedures under which that motor vehicle's class and model-year was certified. Emission standards and test procedures prescribed by the department shall ensure that not more than 5 percent of the vehicles or engines, which would otherwise meet the requirements of this part, will fail the inspection and maintenance test for that class of vehicle or engine.

SEC. 16. Section 44014 of the Health and Safety Code is amended to read:

44014. (a) Except as otherwise provided in this chapter, the testing and repair portion of the program shall be conducted by smog check stations licensed by the department, and by smog check technicians who have qualified pursuant to this chapter.

(b) A smog check station may be licensed by the department as a smog check test-only station and, when so licensed, need not comply with the requirement for onsite availability of current

service and adjustment procedures specified in paragraph (3) of subdivision (b) of Section 44030. A smog check technician employed by a smog check test only station shall be qualified in accordance with this section.

(c) A smog check station may also be licensed as a repair-only station, and if so licensed, may perform repairs to reduce excessive emissions on vehicles which have failed the smog check test. Repair procedures and equipment requirements shall be established by the department. Technicians employed by a smog check repair-only station shall be qualified in accordance with this section.

(d) Smog check technicians are qualified to test and repair only those classes and categories of vehicles for which they have passed a qualification test administered by the department. The department shall provide for smog check technicians to be qualified for different categories of motor vehicle inspection based on vehicle classification and model-year.

(e) The consumer protection-oriented quality assurance portion of the program, shall be conducted by more than one private entity pursuant to contracts with the department.

SEC. 17. Section 44014.5 is added to the Health and Safety Code, to read:

44014.5. (a) The enhanced program shall provide for the testing and retesting of vehicles in accordance with Section 44010.5 and this section.

(b) The repair of vehicles at test-only stations shall be prohibited, except that the minor repair of components damaged by station personnel during inspection at the station, any minor repair which is necessary for the safe operation of a vehicle while at a station, or other minor repairs, such as the reconnection of hoses or vacuum lines, may be undertaken at no charge to the vehicle owner or operator if authorized in advance in writing by the department.

(c) The department shall provide for the distribution to consumers by test-only stations of a list, compiled by region, of smog check stations licensed to make repairs of vehicular emission control systems. A test-only station shall not refer a vehicle owner to any particular provider of vehicle repair services.

(d) The department shall establish standards for training, equipment, performance, or data collection for test-only facilities.

(e) The department, by regulation, shall prohibit test-only stations from engaging in other business activities that represent a conflict of interest, as determined by the department.

(f) The test-only station may charge a fee, established by the department, sufficient to cover the station's cost to perform the tests required by this chapter. In addition, the station shall charge and collect the certificate fee established pursuant to Section 44060. This subdivision shall apply only to stations contracted for pursuant to subdivision (e) of Section 44010.5.

(g) The department shall ensure that there is a sufficient number of test-only facilities to provide convenient testing for the following

vehicles:

(1) All vehicles cited and confirmed as gross polluters pursuant to Section 44081 and Section 27156 of the Vehicle Code.

(2) All vehicles identified by a smog check station prior to repairs as gross polluters or as having been tampered with.

(3) All vehicles designated by the department pursuant to Sections 44014.7 and 44020.

(h) The department shall provide a sufficient number of test-only facilities authorized to perform referee functions to provide convenient testing for those vehicles that are required to report to, and receive a certificate of compliance from, a test-only station by this chapter, including all of the following:

(1) All vehicles seeking to utilize state-operated financial assistance or inclusion in authorized scrap programs.

(2) All vehicles unable to obtain a certificate of compliance from a licensed smog check station pursuant to subdivision (c) of Section 44015.

(3) Any other vehicles that may be designated by the department.

(i) (1) Gross polluters shall be referred to a test-only facility for a post-repair inspection and retest pursuant to subdivision (g). Simply passing the emissions test shall not be a sufficient condition for receiving a certificate of compliance. A certificate of compliance shall only be issued to a vehicle which does not have any defects with its emission control systems or any defects which could lead to damage of its emission control system, as provided in regulations adopted by the department.

(2) The department shall require all vehicles which are tested pursuant to this chapter and found to be gross polluters, or which are found to have been tampered with, to be tested annually at a test-only station for at least two, but not more than five, consecutive years, as the department determines to be necessary to ensure that the program will comply with Environmental Protection Agency performance standards.

SEC. 18. Section 44014.7 is added to the Health and Safety Code, to read:

44014.7. (a) The department shall require 2 percent of the vehicles required to obtain a certificate of compliance each year in enhanced program areas to receive their certificate from a test-only facility.

(b) The department may require a number not to exceed 2 percent of the vehicles required to obtain a certificate of compliance each year in basic program areas to receive their certificate from a test-only facility.

(c) The vehicles specified in subdivisions (a) and (b) shall be selected at random. The vehicles may be included among the vehicles subject to subdivision (d) of Section 44010.5, to the extent that the vehicles are registered in enhanced program areas. The review committee may review the selection process to ensure that it is a statistically significant representation of the vehicles subject to

the basic and enhanced programs. The department shall select the vehicles and the Department of Motor Vehicles shall notify the owners of their obligation under this section pursuant to Section 4000.3 of the Vehicle Code. Selection shall be made from vehicles in an area where a test-only facility is located.

SEC. 19. Section 44015 of the Health and Safety Code is amended to read:

44015. (a) A licensed smog check station shall not issue a certificate of compliance, except as authorized by this chapter, to any vehicle which meets the following criteria:

(1) A vehicle that has been tampered with.

(2) A vehicle that, prior to repairs, has been identified by the smog check station as a gross polluter.

(3) A vehicle that has been identified through roadside auditing as a gross polluter pursuant to Sections 44081 and 44081.6.

(4) A vehicle described in subdivision (c).

(b) If a vehicle meets the requirements of Section 44012, a smog check station licensed to issue certificates shall issue a certificate of compliance or a certificate of noncompliance.

(c) A certificate of compliance shall be issued by a test-only facility authorized to perform referee functions for a vehicle which has been properly tested but does not meet the applicable emission standards when it is determined that no adjustment or repair can be made that will reduce emissions from the inspected motor vehicle without exceeding the applicable cost limit established under Section 44017 and that every defect specified by paragraph (2) of subdivision (a) of Section 43204, and by paragraphs (2) and (3) of subdivision (a) of Section 43205, has been corrected. A certificate issued pursuant to this subdivision shall be deemed an emission cost waiver. No emission cost waiver shall be issued until there has been an actual expenditure by the vehicle owner of an amount at least equal to the applicable repair cost limit specified in Section 44017. No emission cost waiver shall be issued under any of the following circumstances:

(1) If a vehicle was issued an emission cost waiver in the previous biennial inspection of that vehicle.

(2) If a vehicle is designated as a gross polluter pursuant to this chapter, except as otherwise provided in this subdivision or Section 44017.

(3) Upon initial registration of all of the following: a direct import vehicle, a vehicle previously registered outside this state, a dismantled vehicle pursuant to Section 11519 of the Vehicle Code, a vehicle that has had an engine change, an alternate fuel vehicle, and a specially constructed vehicle.

(d) A certificate of compliance or noncompliance shall be valid for 90 days.

(e) A test may be made at any time within 90 days prior to the date otherwise required.

SEC. 20. Section 44017 of the Health and Safety Code is amended

to read:

44017. (a) Except as otherwise provided in this section, the cost limit for repairs under the program, including parts and labor, shall be a minimum of four hundred fifty dollars (\$450) in all areas where the program operates.

(b) The limit established pursuant to subdivision (a) shall not become operative until January 1, 1995, or until the repair subsidy program required pursuant to Section 44062.1 is implemented, whichever occurs first. Prior to that time, the following cost limits shall remain in effect:

(1) For motor vehicles of 1971 and earlier model-years, fifty dollars (\$50).

(2) For motor vehicles of 1972 to 1974, inclusive, model-years, ninety dollars (\$90).

(3) For motor vehicles of 1975 to 1979, inclusive, model-years, one hundred twenty-five dollars (\$125).

(4) For motor vehicles of 1980 to 1989, inclusive, model-years, one hundred seventy-five dollars (\$175).

(5) For motor vehicles of 1990 and later model-years, three hundred dollars (\$300).

(c) The department shall periodically revise the cost limits specified in subdivisions (a) and (b) in accordance with changes in the Consumer Price Index, as published by the United States Bureau of Labor Statistics.

(d) No cost limit shall be imposed in those cases where emissions control equipment is missing or is partially or totally inoperative as a result of being tampered with or when the vehicle has been cited as a gross polluter pursuant to Section 44081 and verified as a gross polluter at a test-only station. The cost limits prescribed pursuant to this section, when implemented, shall not be imposed on vehicles identified as gross polluters prior to repairs at a smog check station. However, if there is no evidence of tampering and the vehicle owner has had repairs performed as necessary to bring the vehicle's emissions below the appropriate threshold established for gross polluters, the emission cost waiver provisions shall apply.

SEC. 21. Section 44017.3 of the Health and Safety Code is amended to read:

44017.3. (a) Each smog check station shall have posted conspicuously in an area frequented by customers a sign advising of the minimum or maximum amounts established by law to be spent on repairs required to cause a motor vehicle to pass a smog check. The sign shall be required in all stations where smog check inspections are performed. In stations where licensed smog check technician repairs are not performed, the station shall have posted conspicuously in an area frequented by customers a statement that repair technicians are not available and repairs are not performed.

(b) The specific amounts enumerated on the sign shall be consistent with Section 44017 and shall also refer to the exceptions in subdivision (d) of Section 44017.

(c) The sign shall include language, as determined by the department, to warn consumers of the penalties for obtaining a certificate by means of fraud.

SEC. 22. Section 44020 of the Health and Safety Code is amended to read:

44020. Notwithstanding any other provision of this chapter, the department may license any registered owner of a fleet of 10 or more motor vehicles subject to this chapter, who so elects, to implement and conduct the tests and to perform necessary service and adjustment on the fleet's vehicles under this chapter, subject to all of the following conditions:

(a) The registered owner's facilities or personnel, or both, or a designated contractor of the registered owner, shall be licensed by the department as a fleet smog check station, and the test and repair system shall conform, in the department's determination, with all provisions of this chapter and all rules and regulations adopted by the department. The regulations shall provide for adequate onsite inspection by the department. Mobile testing equipment certified by the department may be used in accordance with procedures established by the department. The department may prohibit the use of mobile testing equipment if violations occur.

(b) A license issued under this section is subject to Sections 44035, 44050, and 44072.10, and may be suspended or revoked by the department whenever the department determines, on the basis of random periodic spot checks of the owner's inspection system and fleet vehicles, that the system fails to conform or that certificates of compliance have been issued by the owner in violation of regulations adopted by the department. Any person licensed to conduct tests and service and adjustments under this section is deemed to have consented to provide the department with whatever access, information, and other cooperation the department reasonably determines are necessary to facilitate the random periodic spot checks.

(c) The department or its contractor, on a random periodic basis, shall inspect or observe the inspections performed by licensed fleet smog check stations on not less than 2 percent of the total business fleet vehicles subject to this chapter.

(d) A fleet owner licensed to conduct tests or make repairs pursuant to this chapter shall issue certificates of compliance for motor vehicles. The cost limits in Section 44017 shall not apply to any motor vehicle owned by a fleet owner licensed pursuant to this section.

(e) Notwithstanding subdivision (d), certificates of compliance or noncompliance prepared solely for the disposal or sale of motor vehicles owned by a fleet owner licensed pursuant to this section shall be subject to the cost limits in Section 44017.

(f) The department shall establish initial and renewal license fees, which shall not exceed the reasonable costs of administering this section.

(g) Notwithstanding any other provision of this section, fleets consisting of vehicles for hire or vehicles which accumulate high mileage, as defined by the department, shall go to a test-only station when a smog check certificate of compliance is required. Initially, high mileage vehicles shall be defined as vehicles which accumulate 50,000 miles or more each year. In addition, fleets which do not operate high mileage vehicles may be required to obtain certificates of compliance from the test-only station if they fail to comply with this chapter.

(h) Notwithstanding any other provision of this chapter, the department shall have the authority, by regulation, to require testing of vehicle fleets consistent with regulations adopted by the Environmental Protection Agency, if necessary to meet the emission reduction performance standard established by the agency, as determined by the department.

SEC. 23. Section 44021 of the Health and Safety Code is amended to read:

44021. (a) (1) A review committee is hereby created to analyze the effect of the improved inspection and maintenance program established by the 1994 amendments to this chapter on motor vehicle emissions and air quality. The functions of the review committee shall be advisory in nature and primarily pertain to the gathering, analysis, and evaluation of information.

(2) The members of the review committee shall receive no compensation, but shall be reimbursed by the department for their reasonable expenses in performing committee duties. The state board and the department shall provide the review committee with any necessary technical and clerical support in its evaluation and study.

(3) (A) The review committee shall consist of 13 members, nine to be appointed by the Governor, two by the Senate Committee on Rules, and two by the Speaker of the Assembly. All members shall be appointed to four-year terms, and the Governor shall appoint from among his or her appointees the chairperson of the review committee.

(B) The appointees of the Governor shall include an air pollution control officer from an enhanced program nonattainment area, three public members, an expert in air quality, an economist, a social scientist, a representative of the inspection and maintenance industry, and a representative of stationary source emissions organizations.

(C) The appointees of the Senate Committee on Rules shall include an environmental member with expertise in air quality, and a representative from the inspection and maintenance industry.

(D) The appointees of the Speaker of the Assembly shall include an environmental member with expertise in air quality, and a representative of a local law enforcement agency charged with prosecuting violations of this chapter in an enhanced program nonattainment area.

(4) In preparing its evaluations of program effectiveness as provided in paragraph (1), the review committee shall consult with the Department of the California Highway Patrol, the Department of Motor Vehicles, and any other appropriate agencies, as well as the department and the state board, shall schedule and conduct periodic meetings in the performance of its duties, and shall meet and consult with local, state, and federal officials involved in the evaluation of motor vehicle inspection and maintenance programs. At the request of the committee, the department or the state board may, on behalf of the committee, contract with independent entities to assist in the committee's evaluations.

(b) The review committee shall submit periodic written reports to the Legislature and the Governor on the performance of the program and make recommendations on program improvements at least every 12 months. The review committee's reports shall quantify the reduction in emissions and improvement in air quality attributed to the program. Any reports, other than those required by this section, that the review committee is required to provide pursuant to this chapter shall also be transmitted to the Secretary for Environmental Protection and the Secretary for State and Consumer Services.

(c) The review committee shall work closely with all interested parties in preparing the information required by subdivisions (a) and (b). The review committee shall hold at least one public hearing on its findings and recommendations prior to submitting its reports. The reports shall include statutory language to implement its recommendations, and shall recommend the timeframe for making any changes to the program. The review committee shall seek comments from the department, the Department of Motor Vehicles, the Department of the California Highway Patrol, and the state board prior to submitting its reports, and those comments shall be published as an appendix to the report.

(d) The review committee shall participate in the demonstration program authorized by Section 44081.6, as provided by that section.

SEC. 24. Section 44022 of the Health and Safety Code is repealed.

SEC. 25. Section 44024 is added to the Health and Safety Code, to read:

44024. (a) The department, in cooperation with the state board, shall investigate new technologies, including the role of onboard diagnostic systems in vehicles, as a means both for detecting excess emissions and defective emission control equipment, and for assisting in determining what repairs would be effective. The department shall report to the review committee on the results of its investigation for inclusion in the committee's annual report to the Legislature.

(b) To incorporate new technologies into the program, the department may institute the following changes if the department determines that the changes will be cost-effective and convenient to vehicle owners:

- (1) The schedule for testing and certifying vehicles.
- (2) The location and method for complying with the test requirements otherwise applicable under this chapter.
- (3) The equipment requirements and repair procedures, including the imposition of new or revised diagnostic procedures, to be used at licensed smog check stations.
- (4) The training, skill, and licensing requirements for smog check technicians.
- (5) The applicable test procedures and emission standards, as applied at smog check stations, and during roadside inspection.

SEC. 26. Section 44025 is added to the Health and Safety Code, to read:

44025. The department shall act as a clearinghouse to provide access to the vendors who possess service information generated by the vehicle manufacturers.

SEC. 27. Section 44031 of the Health and Safety Code is repealed.

SEC. 28. Section 44031.5 of the Health and Safety Code is amended to read:

44031.5. (a) No smog check technician may perform tests or make repairs required by this chapter, for compensation, unless qualified by the department for the class and category of vehicle being tested or repaired. To qualify, smog check technicians shall pass a qualification test administered by the department, in addition to meeting prerequisite minimum experience and training criteria established by the department, pursuant to Section 44045.5. Passage of the qualification test shall also be required upon each biennial renewal of the smog check technician's license.

(b) The department shall prescribe training and periodic retraining courses for licensed smog check technicians pursuant to Section 44045.6.

(c) Whenever the department determines, through investigation, that a previously qualified smog check technician may lack the skills to reliably and accurately perform the test or repair functions within the required qualification, the department may prescribe for the technician one or more retraining courses which have been certified by the department. The smog check technician may request and be granted a hearing, pursuant to Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code, on the department's determination. The request for a hearing shall be submitted within 30 days of the department's notification of its determination. A failure to complete the prescribed retraining course within the time designated by the department, or to request a hearing within 30 days of the department's notification of its determination, shall result in loss of qualification. Upon a later completion of the prescribed department certified retraining course, the department may reinstate the smog check technician's qualification.

(d) Smog check technicians shall have the option to do hands-on work in lieu of written work in order to successfully complete the

department certified training and retraining courses.

(e) The institution administering the department certified training or retraining courses shall issue a certificate of completion to each person who successfully completes the certified courses. The certificate shall be valid for one year.

(f) The department may, by regulation, establish procedures relating to the issuance and use of photo identification cards for licensed technicians.

SEC. 29. Section 44032 of the Health and Safety Code is amended to read:

44032. No person shall perform, for compensation, tests or repairs of emission control devices or systems of motor vehicles required by this chapter unless the person performing the test or repair is a qualified smog check technician and the test or repair is performed at a licensed smog check station. Qualified technicians shall perform tests of emission control devices and systems in accordance with Section 44012.

SEC. 30. Section 44033 of the Health and Safety Code is amended to read:

44033. (a) Any facility meeting the requirements established by the department pursuant to this chapter may be licensed as a test-only, test and repair, or repair-only smog check station. A licensed smog check station shall display an identifying sign prescribed by the department in a manner conspicuous to the public.

(b) No licensed smog check station shall require, as a condition of performing the test, that any needed repairs or adjustment be done by the person, or at the facility of the person, performing the test.

(c) If a motor vehicle, including a commercial vehicle, is tested at a facility licensed to perform tests and repairs pursuant to this chapter, the facility shall provide the customer with a written estimate pursuant to Section 9884.9 of the Business and Professions Code. The written estimate shall contain a notice to the customer stating that the customer may choose another smog check station to perform needed repairs, installations, adjustments, or subsequent tests.

(d) Charges for testing or repair, or both, shall be separately stated.

(e) The department shall require the posting of station licenses and qualified technicians' certificates prominently in each place of business so as to be readily visible to the public.

SEC. 31. Section 44034 of the Health and Safety Code is amended to read:

44034. Annual license fees for smog check stations and biennial license fees for smog check technicians shall be imposed by the department, but shall not exceed the reasonable cost of administering the qualifications and licensing program.

SEC. 32. Section 44034.1 of the Health and Safety Code is amended to read:

44034.1. The department may impose an examination fee,

sufficient to recover the reasonable cost of administering, developing, and updating the examination, for initial and biennial renewal smog check technician applicants. Payment of the fee entitles the applicant to be scheduled for an examination. The department may contract for collection of the fee.

SEC. 33. Section 44035 of the Health and Safety Code is amended to read:

44035. (a) A smog check station's license or a qualified smog check technician's qualification may be suspended or revoked by the department, after a hearing, for failure to meet or maintain the standards prescribed for qualification, equipment, performance, or conduct. The department shall adopt rules and regulations governing the suspension, revocation, and reinstatement of licenses and qualifications and the conduct of the hearings.

(b) The department or its representatives, including quality assurance inspectors, shall be provided access to licensed stations for the purpose of examining property, station equipment, repair orders, emissions equipment maintenance records, and any emission inspection items, as defined by the department.

SEC. 34. Section 44036 of the Health and Safety Code is amended to read:

44036. (a) The consumer protection-oriented quality assurance portion of the motor vehicle inspection program shall ensure uniform and consistent tests and repairs by all qualified smog check technicians and licensed smog check stations throughout the state, and shall include a number of stations providing referee functions available to consumers.

(b) All licensed smog check stations shall utilize original equipment and replacement parts that are certified by the department. The department shall charge a fee for certification testing of the equipment or the replacement parts. The fee for certification testing of equipment shall be fixed by the department based upon its actual costs of certification testing, shall be calculated from the time that the equipment is submitted for certification testing until the time that the certification testing is complete, and shall in no event exceed ten thousand dollars (\$10,000). The fee for certification testing of replacement parts shall be fixed by the department based upon its actual costs of certification testing, shall be calculated from the time that the replacement part is submitted for certification testing until the time that the certification testing is complete, and shall in no event exceed two thousand five hundred dollars (\$2,500). The department shall adopt, and may from time to time revise, standards for certification and decertification of the equipment, which may include a device for testing of emissions of oxides of nitrogen. As expeditiously as possible, the department shall adopt equipment standards which shall include a test analyzer system containing all of the following:

(1) A microprocessor to control test sequencing, selection of proper test standards, the automatic pass or fail decision, and the

format for the test report and the recorded data file. The microprocessor shall be capable of using a standardized programming language specified by the department.

(2) An exhaust gas analysis portion with an analyzer for hydrocarbons, carbon monoxide, and carbon dioxide which is designed to accommodate an optional oxides of nitrogen analyzer. An oxides of nitrogen analyzer shall be required in the enhanced program areas.

(3) Equipment necessary to perform visual and functional tests of emission control devices required by the department.

(4) A device to accept and record motor vehicle identification information, including a device capable of reading bar code information pursuant to regulations of the state board. The device shall have the ability to identify, with the cooperation of the Department of Motor Vehicles, smog inspections performed on vehicles sold by used car dealers.

(5) A device to provide a printed record of the test process and diagnostic information for the motorist.

(6) A mass storage device capable of storing not less than the minimum amount of program software and data specified by the department.

(7) A device to provide for the periodic modification of all program and data files contained on the mass storage device, using a standardized form of removable media conforming to specifications of the department.

(8) A device which provides for the storage of test records on a standardized form of removable media conforming to specifications of the department.

(9) One or more communications ports conforming to the specifications established by the department as necessary to provide real time communication, or communication which is consistent with maintaining a superior quality assurance program and efficient information transfer, between the test equipment and the centralized computer data base through the computer network maintained by the department pursuant to Section 44037.1.

(10) An interface capable of monitoring equipment used with loaded mode testing, idle testing, on board diagnostic testing, or other tests prescribed by the department.

(11) Any other features that the department determines are necessary to increase the effectiveness of the program, including, but not limited to, a loaded mode dynamometer for purposes of oxides of nitrogen detection, and other equipment necessary to detect nonexhaust-related volatile organic compound emissions such as found in fuel system evaporative emissions and crankcase ventilation emissions.

(c) The department shall require all smog check stations to use equipment meeting the requirements of subdivision (b) as soon as possible, but not later than January 1, 1996. However, the department may defer the requirement for any equipment, external

to the chassis of the test analyzer system, needed to read bar code information until a substantial portion of the vehicles subject to this chapter are equipped with bar code labels. Prior to the imposition of a requirement for equipment meeting the requirements of subdivision (b), every smog check station shall use equipment meeting the specifications of the department in effect on January 1, 1988.

(d) The quality assurance portion shall provide for inspections of licensed smog check stations, data collection and forwarding, equipment accuracy checks, operation of referee stations, and other necessary functions. In contracting for services pursuant to subdivision (e) of Section 44014, the department shall prepare detailed specifications and solicit bids from private entities for the implementation of the quality assurance functions.

(e) The department may revise the specifications for equipment annually if the cost thereof is less than 20 percent of the total system cost. A more comprehensive revision to the specifications may be required not more often than every five years.

(f) (1) Equipment manufacturers shall furnish to the department, and shall install, software updates as specified by the department. The department shall allow equipment manufacturers six months, from the date the department issues its proposed specifications for periodic software updates, to obtain department approval that the updates meet the proposed specifications and to install the updates in all equipment subject to the updates. During the first 30 days of the six-month period, the manufacturers shall be permitted to review and to comment upon the proposed specifications. However, notwithstanding any other provision of this section, the department may order manufacturers to install software changes in a shorter period of time upon a finding by the department that a previously installed update does not meet current specifications. A manufacturer's failure to furnish or install software updates as so specified is cause for the department to decertify the manufacturer's test analyzer system or to issue a citation to the manufacturer. The citation shall specify the nature of the violation and may specify a civil penalty not to exceed one thousand dollars (\$1,000) for each day the manufacturer fails to furnish or install the specified software updates by the specified period. In assessing a civil penalty pursuant to this subdivision, the department shall give due consideration, in determining the appropriateness of the amount of the civil penalty, to factors such as the gravity of the violation, the good faith of the manufacturer, and the history of previous violations.

(2) The citations shall be served pursuant to subdivision (c) of Section 11505 of the Government Code. The manufacturer may request a hearing in accordance with Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code. A request for a hearing shall be submitted in writing within 30 days of service of the citation, and shall be delivered to the office of the department in Sacramento. Hearings and related procedures

under this subdivision shall be conducted in the same manner as proceedings for adjudication of an accusation under that Chapter 5, except as otherwise specified in this article.

(3) If within 30 days from service of the citation, the manufacturer fails to request a hearing, the citation shall be deemed the final order of the department.

(4) Any failure to comply with the final order of the department for payment of a civil penalty, or to pay the amount specified in any settlement executed by the licensee and the Director of Consumer Affairs, is cause for decertification of the manufacturer's test analyzer system.

SEC. 35. Section 44036.1 is added to the Health and Safety Code, to read:

44036.1. The department may require that equipment manufacturers, submitting equipment for certification pursuant to Section 44036, submit proof of financial security, including, but not limited to, insurance sufficient to cover product liability claims, and secured funds for prepaid warranty or service contracts.

SEC. 36. Section 44036.8 of the Health and Safety Code is amended to read:

44036.8. The data collected by the equipment used by a smog check station, as required by regulations of the Bureau of Automotive Repair, may be used by a licensed smog check station technician or operator when appealing a citation issued by the Bureau of Automotive Repair.

SEC. 37. Section 44037 of the Health and Safety Code is amended to read:

44037. (a) The department shall compile and maintain records, using the sampling methodology necessary to ensure their scientific validity and reliability, of tests and repairs performed by qualified smog check technician at licensed smog check stations pursuant to this chapter on all of the following information:

(1) The motor vehicle identification information and the test data collected at the station.

(2) The number of maintenance and repair operations performed on motor vehicles which fail to pass a test conducted pursuant to this chapter.

(3) The correlation between maintenance and repairs recommended by the department pursuant to Section 44016 and maintenance and repairs performed.

(4) The charges assessed for the service and repairs and the correlation between the amount charged for repairs and the amount of emission reduction.

(5) Data received and compiled through the use of the centralized computer data base and computer network to be established pursuant to Section 44037.1, and any other information determined to be essential by the department for program enhancement to achieve greater efficiency, cost-effectiveness, convenience, or emission reductions.

(6) The frequency of specific smog check stations which issue a passing certificate for vehicles which have failed a previous inspection at other smog check stations within the preceding 30 days.

(b) A written summary of the information specified in subdivision (a) shall be available annually for the technicians and smog check stations in each district and to the public upon request.

SEC. 38. Section 44037.1 is added to the Health and Safety Code, to read:

44037.1. (a) On or before January 1, 1995, the department shall design and establish the equipment necessary to operate a centralized computer data base and computer network which is readily accessible by all licensed smog check technicians on a real time basis.

(b) The centralized computer data base and network shall be designed with all of the following capabilities:

(1) To provide smog check technicians with immediate access to vehicle-specific information regarding the location of all emission control equipment, pattern failure data, and other vehicle-specific technical information relevant to the efficient identification, diagnosis, and repair of emission problems.

(2) To provide smog check technicians and the department with information as to the date and result of prior smog check tests performed on each vehicle in order to discourage vehicle owners from shopping for certificates of compliance and to permit the department to identify smog check stations for further investigation as potential violators of this chapter.

(3) To provide the department with data on the failure rates and repair effectiveness for vehicles of each make and model-year on a statewide basis, and by smog check station and technician, to facilitate identification of smog check stations and technicians as potential violators of this chapter.

(4) Upon a determination that a smog check station or technician has engaged in a pattern of violating this chapter, or that a vehicle failed one or more emissions tests before obtaining a certificate of compliance, to provide the information necessary to identify and contact vehicle owners who obtained certificates from the station or technician, or may have obtained certificates of compliance in violation of this chapter, for purposes of requiring the retesting of their vehicles.

(5) To be compatible with the eventual transition to a fully computerized smog certification program that will not require the use of printed certificates as evidence of compliance.

(6) To be compatible with bar code scanning of vehicles as provided in Section 44041.

(7) To permit ongoing entry of information from each smog check station into the centralized data base to enlarge and improve the data base on a continuous basis.

(8) To be compatible with the department's recordkeeping and compilation requirements established by Section 44037.

(9) To meet the needs of a remote-sensing program to identify gross polluters, as specified by the department.

(10) To meet any other needs specified by the department to enhance the benefits of the program through the storage of vehicle-specific information, such as that pertaining to scrap programs and to the referee station program.

(c) After January 1, 1995, each smog check station shall transmit vehicle data emission test results to the department's centralized data base. Each smog check station shall also transmit vehicle data and emission measurements made before and after repair. The department shall establish, by regulation, the form, manner, and frequency of the data transmittals.

SEC. 39. Section 44038 of the Health and Safety Code is amended to read:

44038. Until implementation of the centralized computer data base required pursuant to Section 44037.1, each smog check station shall transmit vehicle data and emission test or repair results to the department and transmit to the department vehicle data and emission measurements made before and after repair. The department shall establish, by regulation, the form, manner, and frequency of those data transmittals.

SEC. 40. Section 44040 of the Health and Safety Code is amended to read:

44040. The department may require certificates of compliance and certificates of noncompliance to contain a unique number encoded in bar code. These certificates may be sold to licensed smog check stations by the department, printed by test analyzer systems, or transmitted by electronic means. The department, with the cooperation of the Department of Motor Vehicles, shall periodically check certificates to determine their validity.

SEC. 41. Section 44041 is added to the Health and Safety Code, to read:

44041. In order to expedite emissions testing and to eliminate errors in the transcription of vehicle data, the department shall, in cooperation with the Department of Motor Vehicles, furnish bar code labels to all vehicle owners at the time of their vehicle's annual registration renewal. The labels shall contain vehicle identification numbers and other vehicle-specific information, to be determined by the department, which can be recorded by smog check station technicians utilizing the scanning devices required by Section 44036.

SEC. 42. Section 44045.5 is added to the Health and Safety Code, to read:

44045.5. (a) This section describes the qualifications to be met by smog check technician applicants effective January 1, 1995. The department shall, by regulation, establish requirements for the licensure of smog check technicians which are necessary to enable the program to meet the applicable emission reduction performance standards, to include, at a minimum:

(1) Either of the following:

(A) Certification standards for all technicians in the program which are equivalent or superior to the standards applicable for certification by an established national certification or accrediting institution to perform service on automotive engines and electrical systems.

(B) Successful completion of a training program certified by the department under Section 44045.6.

(2) In addition to the requirement in paragraph (1), a minimum of two years' experience performing repairs to motor vehicle emission control systems or experience approved by the department, or an associate degree in an automotive technology curriculum or an equivalent degree as determined by the department.

(3) An examination process that effectively determines whether applicants are all of the following:

(A) Knowledgeable regarding the visual, functional, and exhaust and evaporative emissions inspection and testing procedures specified by the department, including a demonstrated understanding of loaded mode testing principles, purpose, procedures and equipment.

(B) Knowledgeable regarding misfire detection, air injection testing, closed-loop system testing, and generic idle adjustment procedures specified by the department.

(C) Capable of using emissions manuals and tuneup labels to properly identify required emission control systems and components on any vehicle subject to the enhanced program.

(4) Not later than July 1, 1995, the examination shall use state-of-the-art technology, which may include computer simulations or other computer-based examination formats to determine whether applicants can properly identify, diagnose, and repair emission-related problems. The department may contract for the development and administration of this examination.

(b) The department shall not license any technician unless the department has determined that the person is able to perform the inspection, testing, and repair tasks required under the program on all vehicles subject to the program, except that the department may limit this requirement to specified makes or models of vehicles if a technician requests licensing limited to specified makes or models of vehicles.

(c) The department may establish more than one category or level of licensure, and may provide for the licensing of interns or trainees if those persons do all of their test and repair work under the supervision of a licensed technician.

(d) The department shall require the renewal of smog check technician licenses every two years, and shall establish any necessary and appropriate requirements for renewal.

SEC. 43. Section 44045.6 is added to the Health and Safety Code, to read:

44045.6. (a) The department shall, by regulation, establish requirements for the training of smog check technicians which are

necessary to enable the program to meet the applicable emission reduction performance standards, to include, at a minimum, all of the following:

(1) Criteria for facilities, instructors, equipment, reference materials, and instructional materials.

(2) A detailed outline of lectures and laboratory work.

(3) A final examination and recommended passing score.

(4) In lieu of the requirements in paragraphs (1) to (3), inclusive, the department may accept certification by an established national training institution of training in relevant curricula, including electrical systems, engine performance, and electronic emissions diagnostics.

(b) Training facilities meeting the requirements of subdivision (a) shall be certified by the department to provide smog check training.

(c) The department may require remedial training at a certified training facility or may take disciplinary action, whichever the department determines to be the most appropriate, for any licensed technician who the department determines cannot perform inspections, testing, or repairs as required under the program. The failure to complete the remedial training when required by the department shall be a ground for revocation or suspension of a smog check technician's license under Section 44072.2.

(d) The department may contract to ensure the availability of training and retraining courses required by this chapter whenever these courses are not otherwise available. Charges for courses offered by contractors pursuant to this subdivision shall be borne by course attendees.

SEC. 44. Section 44050 of the Health and Safety Code is amended to read:

44050. (a) If, upon investigation, the department has probable cause to believe that a licensed smog check station, a test-only station contractor, or a fleet owner licensed under Section 44020 has violated this chapter, or any regulation adopted pursuant to this chapter, the department may issue a citation to the licensee, contractor, or fleet owner. The citation shall specify the nature of the violation and may specify a civil penalty assessed by the department pursuant to Section 44051 or 44051.5.

(b) If, upon investigation, the department has probable cause to believe that a qualified smog check technician has violated Section 44012, 44015, 44016, or 44032, or any regulation of the department adopted pursuant to this chapter, the department may issue a citation to the technician. The citation shall specify the nature of the violation and, in addition, whichever of the following applies:

(1) For a first citation, the smog check technician shall successfully complete one or more retraining courses prescribed by the department pursuant to subdivision (c) of Section 44031.5.

(2) For a second citation, the smog check technician shall successfully complete one or more retraining courses prescribed by

the department pursuant to subdivision (c) of Section 44031.5 and the technician shall perform inspections or repairs pursuant to this chapter under the direction of a technician in good standing, as defined by the department.

(3) For a third citation, the smog check technician shall successfully complete an advanced retraining course prescribed by the department and shall perform no inspection or repair pursuant to this chapter until that completion.

(4) For a fourth citation, the smog check technician's qualification may be permanently revoked.

(c) The citation shall be served pursuant to subdivision (c) of Section 11505 of the Government Code.

SEC. 45. Section 44051 of the Health and Safety Code is amended to read:

44051. The civil penalty for a violation of the specified provisions of this chapter is as follows:

Section	Short Description of Violation	Civil Penalty	
		Minimum	Maximum
44002	Smog check estimates and invoices	\$ 50	\$ 500
44012	No emission control system inspection, no emissions test, or inspection test procedures	250	1,500
44014	Unlicensed smog check station	250	1,500
44015	Improper issuance of certificate	150	1,000
44016	Failure to follow established repair procedures	150	1,000
44017	Cost limit requirement	150	1,000
44031.5	Test/repair by unlicensed smog check station or nonqualified smog check technician	250	1,500
44032	Qualified smog check technician required	250	500
44033	Smog check station requirement, test on condition of mandatory repair, written estimate requirements	250	1,500
44036	Smog check station certified	150	1,500
44060	equipment requirement Sale, transfer, or	250	1,500

purchase of
certificate and
certificate charges

SEC. 46. Section 44056 of the Health and Safety Code is amended to read:

44056. (a) Except as otherwise provided in Sections 44051 and 44051.5, any person who violates this chapter, or any order, rule, or regulation of the department adopted pursuant to this chapter, is liable for a civil penalty of not less than one hundred fifty dollars (\$150) and not more than two thousand five hundred dollars (\$2,500) for each day in which each violation occurs. Any action to recover civil penalties shall be brought by the Attorney General in the name of the state on behalf of the department, or may be brought by any district attorney, city attorney, or attorney for a district.

(b) The penalties specified in subdivision (a) do not apply to an owner or operator of a motor vehicle, except an owner or operator who does any of the following:

(1) Obtains, or who attempts to obtain, a certificate of compliance or noncompliance without complying with the requirements of Section 44015.

(2) Obtains, or attempts to obtain, a certificate of compliance by means of fraud, including, but not limited to, offering or giving any form of financial or other inducement to any person for the purpose of obtaining a certificate of compliance for a vehicle which has not been tested or has been tested improperly.

(3) Registers a motor vehicle at an address other than the owner's or operator's residence address for the purpose of avoiding the requirements of this chapter.

(4) Obtains, or attempts to obtain, a certificate of compliance by other means when required to report to the test-only facility after being identified as a tampered vehicle or gross polluter pursuant to Section 44015 or 44081.

SEC. 47. Section 44060 of the Health and Safety Code is amended to read:

44060. (a) The department shall prescribe the form of the certificate of compliance or noncompliance.

(b) Effective not later than January 1, 1996, the certificate shall be in the form of an electronic entry filed with the department, the Department of Motor Vehicles, and any other person designated by the department. In meeting the January 1, 1996, deadline, the department shall ensure that adequate lead time is provided for conversion to an electronic entry type of certificate. The department shall ensure that the vehicle owner or operator is provided with a written report, signed by the licensed technician who performed the inspection, of any test performed by a smog check station, including a pass or fail indication, and written confirmation of the issuance of the certificate.

(c) (1) The department shall charge a fee to a smog check

station, including a test-only station, and a station providing referee functions, for a vehicle inspected at that station which meets the requirements of this chapter and is issued a certificate of compliance, a certificate of noncompliance, or an emission cost waiver.

(2) The fee charged pursuant to paragraph (1) shall be calculated to recover the costs of the department and any other state agency directly involved in the implementation, administration, or enforcement of the motor vehicle inspection and maintenance program, and shall not exceed the amount reasonably necessary to fund the operation of the program, including all responsibilities, requirements, and obligations imposed upon the department or any of those state agencies by this chapter, which are not otherwise recoverable by fees received pursuant to Section 44034.

(3) Except for adjustments to reflect changes in the Consumer Price Index, as published by the United States Bureau of Labor Statistics, the fee for each certificate shall not exceed seven dollars (\$7).

(4) Fees collected by the department pursuant to this subdivision shall be deposited in the Vehicle Inspection and Repair Fund. It is the intent of the Legislature that a prudent surplus be maintained in the Vehicle Inspection and Repair Fund. If the surplus exceeds the reasonable costs of administration of the programs specified in this chapter and in Chapter 20.3 (commencing with Section 9880) of Division 3 of the Business and Professions Code, the department shall, by regulation, prescribe a lower fee for the certificate.

(d) The sale or transfer of the certificate by a licensed smog check station or test-only station to any other licensed smog check station or to any other person, and the purchase or acquisition of the certificate by any person, other than from the department, the department's designee, or pursuant to a vehicle's inspection or repair conducted pursuant to this chapter, is prohibited.

(e) Following implementation of the electronic entry certificate under subdivision (b), the department may require the modification of the analyzers and other equipment required at smog check stations to prevent the entry of a certificate which has not been issued or validated through prepayment of the fee authorized by subdivision (c).

(f) The fee charged by licensed smog check stations to consumers for a certificate shall be the same amount that is charged by the department.

SEC. 48. Section 44062.1 is added to the Health and Safety Code, to read:

44062.1. The department shall develop and implement a repair subsidy program not later than January 1, 1996.

SEC. 49. Section 44062.2 is added to the Health and Safety Code, to read:

44062.2. (a) The state board shall adopt, by regulation, procedures to establish an emissions credit exchange program whereby persons may contribute to the Vehicle Inspection and

Repair Fund, and receive equitable emission reduction credits for those contributions.

(b) Districts may establish procedures to generate marketable emission reduction credits from contributions toward the repair subsidy program specified in Section 44062.1. Emission reduction credits generated pursuant to this subdivision may be used to meet or offset transportation control measure requirements, average vehicle ridership reductions, or other mobile source emission requirements, as determined by the district.

(c) The credits established pursuant to subdivision (a) or (b) shall not be allowed until the emission reduction goals established by the amendments enacted in 1990 to the Clean Air Act (P.L. 101-549) have been achieved.

SEC. 50. Section 44063 is added to the Health and Safety Code, to read:

44063. (a) There may be transferred into the Vehicle Inspection and Repair Fund the proceeds of the litigation known as M.D.L. Docket No. 150 AWT, as adjudicated in the United States District Court for the Central District of California.

(b) The money transferred pursuant to subdivision (a) shall be available, upon appropriation by the Legislature, for use by the department to establish and implement a program for the repair, retrofit, or removal of gross polluting vehicles.

SEC. 51. Section 44070.5 is added to the Health and Safety Code, to read:

44070.5. (a) The department shall develop and continuously conduct a public information program, in consultation with the state board. The program shall be designed to develop and maintain public support and cooperation for the motor vehicle inspection and maintenance program and shall include information on all of the following:

(1) The health damage caused by air pollution.

(2) The contribution of automobiles to air pollution and the gross polluter problem.

(3) Whether a motorist's vehicle could be a gross polluter without the motorist knowing.

(4) The importance of maintaining a vehicle's emission control devices in good working order and the importance of the program.

(b) That information shall be disseminated by all means that the department determines to be feasible and cost-effective, including, but not limited to, television, newspaper, and radio advertising and trailers in movie theaters. The department may also utilize grass roots community networks, including local opinion leaders, churches, the PTA, and the workplace. Extensive marketing research shall be performed to identify the target population.

SEC. 52. Section 44072.10 is added to the Health and Safety Code, to read:

44072.10. (a) Notwithstanding Sections 44072 and 44072.4, the director, or the director's designee, may, pending a hearing

conducted pursuant to subdivision (f), temporarily suspend any smog check station or technician's license issued under this chapter, for a period not to exceed 60 days, if the department determines that the licensee's conduct would endanger the public health, safety, or welfare before the matter could be heard pursuant to subdivision (f), based upon reasonable evidence of any of the following:

(1) Fraud.

(2) Tampering.

(3) Intentional or willful violation of this chapter or any regulation, standard, or procedure of the department implementing this chapter.

(4) A pattern or regular practice of violating this chapter or any regulation, standard, or procedure of the department implementing this chapter.

(b) If a motor vehicle dealer sells any used vehicle, knowing that the vehicle has been fraudulently certified, that act shall be additional grounds for suspension or revocation pursuant to Section 11705 of the Vehicle Code. A dealer's license so revoked shall not be reinstated for any reason for a period of at least five years.

(c) The department shall issue a citation to a smog check station licensee if any fraudulent certification of vehicles occurs on the premises of the station. If, within two years of the issuance of a citation, any fraudulent certification of vehicles occurs at the station, the department shall revoke the station's license. The department shall, pending any hearing on revocation under this section, temporarily suspend any smog check station's or technician's license for not more than 60 days.

(d) The department shall revoke the license of any smog check technician or station licensee who fraudulently certifies vehicles or participates in the fraudulent certification of vehicles. A fraudulent certification includes, but is not limited to, all of the following:

(1) Clean piping, as defined by the department.

(2) Tampering with a vehicle emission control system or test analyzer system.

(3) Intentional or willful violation of this chapter or any regulation, standard, or procedure of the department implementing this chapter.

(e) Once a license has been revoked for a smog check station or technician under subdivision (a), (c), or (d), the license shall not be reinstated for any reason. A hearing shall be held and a decision issued within 60 days after the date on which the notice of the temporary suspension was provided unless the time for the hearing has been extended, or the right to a hearing has been waived, by the licensee.

(f) The hearing shall be conducted in accordance with Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code, or by court order.

(g) The department shall adopt, by regulation, procedures to ensure that any affected licensee is provided adequate notice and

opportunity to be heard prior to issuing an order temporarily suspending a license under this section.

SEC. 53. Section 44072.11 is added to the Health and Safety Code, to read:

44072.11. (a) The department may refuse to issue or renew a license for a smog check station or technician who is subject to a 60-day suspension pursuant to Section 44072.10.

(b) Any smog check station or technician's license granted by the department is a privilege and not a vested right, and may be revoked or suspended by the department for any of the reasons specified in Section 44072.1 or on evidence that the station or technician is not in compliance with any of the requirements of subdivision (a).

SEC. 54. Section 44081 of the Health and Safety Code is repealed.

SEC. 55. Section 44081 is added to the Health and Safety Code, to read:

44081. (a) (1) The department, in cooperation with the state board, shall institute procedures for auditing the emissions of vehicles while actually being driven on the streets and highways of the state. The department may undertake those procedures itself or seek a qualified vendor of these services. The primary object of the procedures shall be the detection of gross polluters. The procedures shall consist of techniques and technologies determined to be effective for that purpose by the department, including, but not limited to, remote sensing. The procedures may include pullovers for roadside emissions testing and inspection. The department shall consider the recommendations of the review committee based on the outcome of the pilot demonstration program conducted pursuant to Section 44081.6.

(2) The department may additionally use other methods to identify gross polluting vehicles for out-of-cycle testing and repair.

(b) The department shall, by regulation, establish a program for the out-of-cycle testing and repair of vehicles found, through roadside auditing, to be emitting at levels that exceed specified standards. The program shall include all of the following elements:

(1) Emission standards, and test and inspection procedures and regulations, adopted in coordination with the state board, applicable to vehicles tested during roadside auditing. Emission standards for citation as a gross polluter shall be designed to maximize the identification of vehicles with substantial excess emissions.

(2) Procedures for issuing citations to owners of gross polluters, either at the time of the roadside audit, or subsequently by certified mail, or by obtaining a certificate of mailing as evidence of service, using technologies for recording license plate numbers. The citation shall provide that, unless the vehicle is brought to a designated test-only station for emissions testing within 30 days, the owner will be subject to a civil penalty of five hundred dollars (\$500) to be imposed and collected by the Department of Motor Vehicles at the next annual registration renewal or the next change of ownership of the vehicle, whichever occurs first. The regulations may authorize a

penalty increasing at the rate of five dollars (\$5) per day up to the five hundred dollars (\$500) maximum.

(3) Procedures for the testing of vehicles cited as gross polluters by a designated test-only facility to confirm that the vehicle exceeds the minimum emission standard for gross polluters set by the department.

(4) Procedures requiring owners of vehicles confirmed as gross polluters to have the vehicle repaired, resubmitted for testing, and obtain a certificate of compliance from a designated test-only facility within 30 days or be subject to a civil penalty of five hundred dollars (\$500) imposed and collected by the Department of Motor Vehicles at the next annual registration renewal or the next change of ownership, whichever occurs first. The regulations may authorize a penalty increasing at the rate of five dollars (\$5) per day up to the five hundred dollars (\$500) maximum, and may authorize impoundment of a vehicle after the maximum penalty has accrued. No vehicle cited as a gross polluter that has not received a certificate of compliance shall be registered in California. Except as provided in subdivision (b) of Section 9250.18 of the Vehicle Code, any penalty revenues collected by the Department of Motor Vehicles pursuant to this subdivision and Section 9250.18 of the Vehicle Code shall be deposited in the Vehicle Inspection and Repair Fund. If the ownership of the vehicle is transferred, the penalty provided for in this subdivision shall be waived if the vehicle is brought into compliance.

(5) A procedure for notifying the Department of Motor Vehicles of citations issued, so that the Department of Motor Vehicles may provide effective enforcement of the penalty for noncompliance. The Department of Motor Vehicles shall cooperate with, and implement the requirements of, the department in that regard, by regulation.

(6) The department may adopt any other regulations necessary for the effective implementation of this section, as determined by the department.

(c) Upon the request of the department, the Department of the California Highway Patrol shall provide assistance in conducting roadside auditing, to consist of (1) the stopping of vehicles and traffic management, and (2) the issuance of citations to gross polluters. The department shall reimburse the Department of the California Highway Patrol for its costs of providing those services. The Department of Transportation and affected local agencies shall provide necessary assistance and cooperation to the department in the operation of the program.

(d) There shall be no repair cost limit imposed pursuant to Section 44017 for any repairs that are required to be made under the roadside auditing program, except as provided in subdivision (d) of Section 44017.

SEC. 56. Section 44081.6 is added to the Health and Safety Code, to read:

44081.6. (a) The California Environmental Protection Agency, the state board, and the department, in cooperation with, and with the participation of, the Environmental Protection Agency, shall jointly undertake a pilot demonstration program to do all of the following:

(1) Determine the emission reduction effectiveness of alternative loaded mode emission tests compared to the IM240 test.

(2) Quantify the emission reductions, above and beyond those required by Environmental Protection Agency regulation or by the biennial test requirement, achievable from a remote sensing-based program that identifies gross polluting and other vehicles and requires the immediate repair and retest of those gross polluting vehicles at a test-only station established by this chapter.

(3) Determine if high polluting vehicles can be identified and directed to test-only stations using criteria other than, or in addition to, age and model year, and whether this reduces the number of vehicles which would otherwise be subject to inspection at test-only stations.

(4) Qualify emission reductions above and beyond those that are required by the regulations of the Environmental Protection Agency, achievable from other program enhancements pursuant to this chapter.

(5) Determine the extent to which the capacity of the test-only station network established pursuant to Section 44010.5 needs to be expanded to comply with Environmental Protection Agency performance standards.

(b) The California Environmental Protection Agency shall enter into a memorandum of agreement with the Environmental Protection Agency to establish the protocol for the pilot demonstration program. The memorandum of agreement shall ensure, to the extent possible, that the Environmental Protection Agency will accept the results of the pilot demonstration program as the findings of the Administrator of the Environmental Protection Agency. The pilot demonstration program shall be conducted pursuant to the memorandum of agreement.

(c) The review committee established pursuant to Section 44021 shall review the protocol for the pilot demonstration program, as established in the signed memorandum of agreement, and recommend any modification that the review committee finds to be appropriate for the pilot demonstration program. Any such modification shall become effective only upon the written agreement of the California Environmental Protection Agency and the Environmental Protection Agency.

(d) The department shall contract, on behalf of the committee, with an independent entity to ensure quality control in the collection of data pursuant to the pilot demonstration program. The department shall also contract, on behalf of the committee, for an independent analysis of the data produced by the pilot demonstration program.

(e) Any contract entered into pursuant to this section shall not be subject to any restrictions that are applicable to contracts in the Government Code or in the Public Contract Code. The department shall report to the Legislature any action that is taken in accordance with this subdivision.

(f) To the extent possible, the pilot demonstration program shall be conducted using equipment, facilities, and staff of the state board, the department, and the Environmental Protection Agency.

(g) The pilot demonstration program shall provide for, but not be limited to, all of the following:

(1) For the purposes of this section, any vehicle subject to the inspection and maintenance program may be selected to participate in the pilot demonstration program regardless of when last inspected pursuant to this chapter.

(2) Registered owners of vehicles selected to participate in the pilot demonstration program shall make the vehicle available for testing within a time period and at a testing facility designated by the department. If necessary, the department shall increase the capacity of the existing referee network in the area or areas where the pilot demonstration program will be operating, in order to accommodate the convenient testing of selected vehicles.

(3) If the department finds that a vehicle is emitting excessive emissions, the vehicle owner shall be required to make necessary repairs within the existing cost limits and return to a testing facility designated by the department. The vehicle owner shall have additional repairs made if the repairs are requested and funded by the department. The department shall also fund the cost of any necessary repairs if the owner of the vehicle has, within the last two years, already paid for emissions-related repairs to the same vehicle in an amount at least equal to the existing cost limits, in order to obtain a certificate of compliance or an emission cost waiver.

(4) Vehicle owners that fail to bring the vehicle in for inspection or fail to have repairs made pursuant to this section shall be subject to citation. The citation shall provide that, unless the vehicle is brought to a designated testing facility for testing, or repair facility for repairs, within 15 days of notice of the requirement, the owner will be subject to a civil penalty of five dollars (\$5) a day, not to exceed two hundred fifty dollars (\$250), to be imposed at the next annual registration renewal or the next change of ownership of the vehicle, whichever occurs first. All penalties shall be collected by the Department of Motor Vehicles pursuant to this subdivision and shall be deposited into the Vehicle Inspection and Repair Fund by the Department of Motor Vehicles.

(h) The Department of Motor Vehicles, the Department of Transportation, local agencies, and the state board shall provide necessary support for the program established pursuant to this section.

(i) As soon as possible after the effective date of this section, the department and the state board shall develop, implement, and revise

as needed, emissions test procedures and emissions standards necessary to conduct the pilot demonstration program.

SEC. 57. Section 44082 of the Health and Safety Code is repealed.

SEC. 58. Section 44083 of the Health and Safety Code is repealed.

SEC. 59. Section 4000.3 of the Vehicle Code is amended to read:

4000.3. (a) Except as otherwise provided in Section 44011 of the Health and Safety Code, the department shall require biennially, upon renewal of registration of any motor vehicle subject to Part 5 (commencing with Section 43000) of Division 26 of the Health and Safety Code, a valid certificate of compliance issued in accordance with Section 44015 of the Health and Safety Code. The department, in consultation with the Department of Consumer Affairs, shall develop a schedule under which vehicles shall be required biennially to obtain certificates of compliance.

(b) The Department of Consumer Affairs shall provide the department with information on vehicle classes that are subject to the motor vehicle inspection and maintenance program.

(c) The department shall include any information pamphlet provided by the Department of Consumer Affairs with notification of the inspection requirement and with its renewal notices.

SEC. 60. Section 5204 of the Vehicle Code is amended to read:

5204. (a) Except as provided by subdivisions (b) and (c), a tab shall indicate the year of expiration and a tab shall indicate the month of expiration, which tabs shall be attached to the rear license plate assigned to the vehicle for the last preceding registration year in which license plates were issued, and, when so attached, the license plate with the tabs shall, for the purposes of this code, be deemed to be the license plate, except that truck tractors, and commercial motor vehicles having an unladen weight of 10,000 pounds or more, shall display the tabs upon the front license plate assigned to the truck tractor or commercial motor vehicle.

(b) The requirement of subdivision (a) that the tabs indicate the year and the month of expiration does not apply to fleet vehicles subject to Article 9.5 (commencing with Section 5300).

(c) Subdivision (a) does not apply when proper application for registration has been made pursuant to Section 4602 and the new indicia of current registration have not been received from the department.

(d) This section is enforceable against any motor vehicle that is driven, moved, or left standing upon a highway, or in an offstreet public parking facility, in the same manner as provided in subdivision (a) of Section 4000.

SEC. 61. Section 9250.18 is added to the Vehicle Code, to read:

9250.18. (a) The department shall collect the penalty established pursuant to Sections 44081 and 44081.6 of the Health and Safety Code upon the renewal of registration or transfer of ownership of any motor vehicle registered in the state.

(b) On a monthly basis, after deducting its reasonable costs, the department shall transmit all revenues, including accrued interest,

received pursuant to this section, for deposit in the Vehicle Inspection and Repair Fund, for use by the Department of Consumer Affairs pursuant to Chapter 5 (commencing with Section 44000) of Part 5 of Division 26 of the Health and Safety Code. Alternatively, the department and the Department of Consumer Affairs may, by interagency agreement, establish a procedure for the Department of Consumer Affairs to reimburse the department for its reasonable costs incurred in collecting the penalties.

SEC. 62. Section 27156 of the Vehicle Code is amended to read:

27156. (a) No person shall operate or leave standing upon any highway any motor vehicle which is a gross polluter, as defined in Section 39032.5 of the Health and Safety Code.

(b) No person shall operate or leave standing upon any highway any motor vehicle which is required to be equipped with a motor vehicle pollution control device under Part 5 (commencing with Section 43000) of Division 26 of the Health and Safety Code or any other certified motor vehicle pollution control device required by any other state law or any rule or regulation adopted pursuant to that law, or required to be equipped with a motor vehicle pollution control device pursuant to the National Emission Standards Act (42 U.S.C. Secs. 1857f-1 to 1857f-7, inclusive) and the standards and regulations adopted pursuant to that federal act, unless the motor vehicle is equipped with the required motor vehicle pollution control device which is correctly installed and in operating condition. No person shall disconnect, modify, or alter any such required device.

(c) No person shall install, sell, offer for sale, or advertise any device, apparatus, or mechanism intended for use with, or as a part of, any required motor vehicle pollution control device or system which alters or modifies the original design or performance of any such motor vehicle pollution control device or system.

(d) If the court finds that a person has willfully violated this section, the court shall impose the maximum fine that may be imposed in the case, and no part of the fine may be suspended.

(e) "Willfully," as used in this section, has the same meaning as the meaning of that word prescribed in Section 7 of the Penal Code.

(f) No person shall operate a vehicle after notice by a traffic officer that the vehicle is not equipped with the required certified motor vehicle pollution control device correctly installed in operating condition, except as may be necessary to return the vehicle to the residence or place of business of the owner or driver or to a garage, until the vehicle has been properly equipped with such a device.

(g) The notice to appear issued or complaint filed for a violation of this section shall require that the person to whom the notice to appear is issued or against whom the complaint is filed produce proof of correction pursuant to Section 40150 or proof of exemption pursuant to Section 4000.1 or 4000.2.

(h) This section shall not apply to an alteration, modification, or

modifying device, apparatus, or mechanism found by resolution of the State Air Resources Board to do either of the following:

(1) Not to reduce the effectiveness of any required motor vehicle pollution control device.

(2) To result in emissions from any such modified or altered vehicle which are at levels which comply with existing state or federal standards for that model year of the vehicle being modified or converted.

(i) This section applies to motor vehicles of the United States or its agencies, to the extent authorized by federal law.

SEC. 63. Section 40517 is added to the Vehicle Code, to read:

40517. (a) Whenever a written notice to appear as a gross polluter pursuant to Section 44081 of the Health and Safety Code has been prepared by a peace officer or by a qualified employee or agent of the Bureau of Automotive Repair, on a form delivered by mail to the current address on file with the department, with a certificate of mailing being obtained as evidence of service, an exact and legible duplicate copy of the notice when filed with the department shall constitute a complaint to which the defendant may enter a plea. That notice shall not, however, constitute an arrest. If the notice to appear is not responded to by the person or business named in the notice, the department shall, not sooner than 15 days from the date to appear specified in the notice, place a hold on the registration of the vehicle described in the notice.

(b) Thereafter, if the party named in the written notice to appear complies with the requirements of the notice, the department shall remove any hold placed on the registration of the vehicle pursuant to subdivision (a), except that any other hold not related to the specific notice shall not be removed.

SEC. 64. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs which may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, changes the definition of a crime or infraction, changes the penalty for a crime or infraction, or eliminates a crime or infraction. Notwithstanding Section 17580 of the Government Code, unless otherwise specified in this act, the provisions of this act shall become operative on the same date that the act takes effect pursuant to the California Constitution.

SEC. 65. The sum of twelve million twelve thousand dollars (\$12,012,000) is hereby appropriated from the Vehicle Inspection and Repair Fund to the Department of Consumer Affairs and the State Air Resources Board for the purpose of implementing enhancements to the vehicle inspection and maintenance program enacted by the Legislature in 1994. Notwithstanding any other provision of law, no transfer shall be made to the General Fund from the Vehicle Inspection and Repair Fund pursuant to item 1150-011-421 of the Budget Act of 1993 (Chapter 55 of the Statutes of 1993).

SEC. 66. Sections 1 to 61, inclusive, of Chapter 1 of the Statutes of 1994 shall not become operative.

SEC. 67. This act shall become operative only if SB 521 is enacted and adds Section 44010.5 to the Health and Safety Code.

SEC. 68. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to ensure compliance with Environmental Protection Agency regulatory guidelines and the requirements of the Clean Air Act Amendments of 1990, it is necessary that this act take effect immediately.

CHAPTER 28

An act to add Section 2982.2 to the Civil Code, to add Article 9 (commencing with Section 44090) to Chapter 5 of Part 5 of Division 26 of the Health and Safety Code, and to add Section 4000.6 to the Vehicle Code, relating to air pollution, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor March 30, 1994. Filed with
Secretary of State March 30, 1994.]

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

SECTION 1. Section 2982.2 is added to the Civil Code, to read:
2982.2. Any contract for the sale of a new motor vehicle shall contain a notification to the buyer of the availability of a certificate of exemption pursuant to subdivision (b) of Section 4000.6 of the Vehicle Code.

SEC. 2. Article 9 (commencing with Section 44090) is added to Chapter 5 of Part 5 of Division 26 of the Health and Safety Code, to read:

Article 9. Repair or Removal of High Polluters

44090. For purposes of this article, the following terms have the following meaning:

(a) "Account" means the High Polluter Repair or Removal Account created pursuant to subdivision (a) Section 44091.

(b) "High polluter" means a high-emission motor vehicle, including, but not limited to, a gross polluter.

44091. (a) The High Polluter Repair or Removal Account is hereby created in the Vehicle Inspection and Repair Fund. All money deposited in the account pursuant to this article and paragraphs (1) and (2) of subdivision (b) of Section 4000.6 of the Vehicle Code shall be available, upon appropriation by the

Legislature, to the department to establish and implement a program for the repair or replacement of high polluters pursuant to this article.

(b) The department may accept donations or grants of funds from any person for purposes of the program and shall deposit that money in the account.

(c) The funds which are available in the account in any fiscal year for a particular area that is subject to an inspection and maintenance program shall be determined by calculating the percentage of vehicles registered in that area to the total number of vehicles registered in areas that are subject to inspection and maintenance programs. That percentage shall be the percentage of the total funds allocated to the program in that fiscal year which are available for that particular area.

44092. (a) The high polluter repair or removal program shall be designed to repair or remove motor vehicles registered in this state that are subject to an inspection and maintenance program and are producing high levels of emissions as a result of their use in this state.

(b) To achieve the most cost-effective emission reduction, the state board, in cooperation with the department, shall determine the class of vehicles to be repaired or removed under the program.

44093. (a) The repair of high polluters under the program shall be designed to offer repair cost assistance to qualified low-income motor vehicle owners for vehicles that are in need of repairs to obtain a certificate of compliance, as determined by the department.

44094. (a) Participation in the high polluter repair or removal program shall be voluntary and shall be available to the owners of high polluters that are registered in an area that is subject to an inspection and maintenance program, have been registered to the owner for at least 24 months, are presently operational, and meet other criteria, as determined by the department.

(b) (1) The program shall provide for both of the following:

(A) As to the repair of a high polluter, payment to the owner of up to 80 percent of the total cost of repair, as determined by the department, but the payment shall not exceed four hundred fifty dollars (\$450).

(B) As to the removal of a high polluter, payment to the owner of the market value of the high polluter, as determined by the department, but not to exceed eight hundred dollars (\$800).

(2) The department may increase the payment amount limits specified in paragraph (1) to reflect changes in the Consumer Price Index, as published by the United States Bureau of Labor Statistics.

(c) A high polluter that is removed under the program shall not be registered or operated in this state. Any funds received by the department from the sale of high polluters that are removed under the program, or from the sale of any of their components, shall be deposited in the account.

(d) The department may authorize participation in the program based on a reasonable estimate of the future revenues that will be

available to the program.

44095. (a) The department shall administer the program in accordance with regulations adopted by the department.

(b) (1) Nothing in this article shall be construed as superseding or precluding any similar program that is administered by a district, any other public agency, or any other person.

(2) The state board shall develop a methodology for, and shall undertake, a uniform data analysis of the program operated pursuant to this article and any similar programs operated in this state for the purpose of providing an accounting of the emission reductions that are achieved by all such programs.

(c) The department may directly operate the program or may provide for the program's operation pursuant to contract. The department may contract with local agencies, community colleges, or private entities to perform all or any portion of the program.

SEC. 3. Section 4000.6 is added to the Vehicle Code, to read:

4000.6. (a) For purposes of subdivision (a) of Section 4000.3, for any vehicle which is registered for the first time in this state on or after January 1, 1994, the first certificate of compliance shall be required upon the second renewal of its registration.

(b) (1) At the time of application for the initial registration of a new motor vehicle which is subject to Part 5 (commencing with Section 43000) of Division 26 of the Health and Safety Code, an additional payment may, at the option of the applicant, be made to the department. The Department of Consumer Affairs shall determine the amount of the additional payment, but the amount shall not exceed fifty dollars (\$50). The Legislature hereby finds and declares that the payment is in the nature of a donation for purposes of the high polluter repair or removal program established pursuant to Article 9 (commencing with Section 44090) of Chapter 5 of Part 5 of Division 26 of the Health and Safety Code.

(2) (A) On a monthly basis, the department shall transmit all payments received pursuant to paragraph (1), including any accrued interest, to the Treasurer for deposit in the High Polluter Repair or Removal Account created pursuant to subdivision (a) of Section 44091 of the Health and Safety Code, for expenditure, upon appropriation by the Legislature, by the Department of Consumer Affairs pursuant to Article 9 (commencing with Section 44090) of Chapter 5 of Part 5 of Division 26 of the Health and Safety Code.

(B) The department and the Department of Consumer Affairs shall, by interagency agreement, establish a procedure for the Department of Consumer Affairs to reimburse the department for its reasonable costs incurred in collecting the payments received pursuant to paragraph (1).

(3) (A) Upon receipt of a payment pursuant to paragraph (1), the department shall issue for the subject vehicle a certificate of exemption from the requirements of subdivision (a) of Section 4000.3. The certificate of exemption shall be valid for the first biennial inspection due after the date of initial registration of the

vehicle, and shall have the same force and effect as a certificate of compliance issued in accordance with Section 44015 of the Health and Safety Code. The certificate of exemption shall be void if the title to, or any interest in, the vehicle is transferred pursuant to Section 5600.

(B) The department may charge a fee for the issuance of the certificate of exemption which is equal to the fee that is charged for the issuance of a certificate of compliance. All fee revenue received pursuant to this subparagraph shall be deposited in the Vehicle Inspection and Repair Fund and be available for purposes of administering and enforcing the vehicle inspection and maintenance program.

SEC. 4. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to ensure compliance with Environmental Protection Agency regulatory guidelines and the requirements of the Clean Air Act Amendments of 1990 (Public Law 101-549), it is necessary that this act take effect immediately.

CHAPTER 29

An act to add Section 44010.5 to the Health and Safety Code, relating to vehicles, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor March 30, 1994. Filed with
Secretary of State March 30, 1994.]

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

SECTION 1. Section 44010.5 is added to the Health and Safety Code, to read:

44010.5. (a) The department shall implement a program with the capacity to commence, by January 1, 1995, the testing at test-only stations, in accordance with this chapter, of 15 percent of that portion of the total state vehicle fleet consisting of vehicles subject to inspection each year in the biennial program and that are registered in the enhanced program area, as established pursuant to paragraph (1) of subdivision (a) of Section 44003.

(b) The department shall increase the capacity of the program so that the capacity exists to commence, by January 1, 1996, the testing at test-only stations of that portion of the state vehicle fleet that is subject to inspection and is registered in the enhanced program area, which is sufficient to meet the emission reduction performance standards established by the Environmental Protection Agency in regulations adopted pursuant to the Clean Air Act Amendments of

1990, taking into account the results of the pilot demonstration program established pursuant to Section 44081.6.

(c) The program shall utilize loaded mode dynamometer test equipment, as determined through the pilot demonstration program.

(d) Vehicles in the enhanced program area which are not subjected to the program established by this section may be tested at smog check stations licensed pursuant to Section 44014 that use loaded mode dynamometers.

(e) The department shall implement the program established pursuant to subdivision (a) through a network of privately operated test-only stations established pursuant to contracts to be awarded pursuant to this section.

(f) No person shall be a contractor of the department for test-only stations in all air basins, exclusively, where the enhanced program is in effect unless the department determines, after a public hearing, that there is not more than one qualified contractor. The South Coast Air Basin shall have at least two contractors, and the combined enhanced program area that includes Bakersfield, Fresno, and Sacramento shall have at least two contractors. The department may operate test-only stations on an interim basis while contractors are being sought.

(g) (1) In awarding contracts under this section, the department shall request bids through the issuance of a request for proposal.

(2) The department shall first determine which bidders are qualified, and then award the contract to the qualified bidder, giving priority to the test cost and convenience to motorists.

(3) The department shall provide a contractual preference, as determined by the department, not to exceed 10 percent of the total proposal evaluation score, based on the following factors:

(A) Up to 5 percent to bidders providing firm commitments to employ businesses that are licensed or otherwise substantially participating in the smog check program after January 1, 1994.

(B) Up to 5 percent to bidders based on the extent to which bidders maximize the potential economic benefit of the smog check program on this state over the term of the contract. That potential economic benefit shall include the percentage of work performed by California-based firms, the potential of the total project workforce who will be California residents, and the percentage of subcontracts that will be awarded to California-based firms.

(4) Any contract executed by the department for the operation of a test-only station shall expressly require compliance with this chapter and any regulations adopted by the department pursuant to this chapter.

(h) The department shall ensure that there is a sufficient number of test-only stations, and that they are properly located, to ensure reasonable accessibility and convenience to all persons within an enhanced program area, and that the waiting time for consumers is minimized. The department may operate test-only stations on an

interim basis to ensure convenience to consumers. The department shall specify in the request for proposal the minimum number of test-only stations that are required for the program. Any contracts initially awarded pursuant to this section shall ensure that the contractors are capable of fulfilling the requirements of subdivision (a).

(i) Any data generated at a test-only station shall be the property of the state, and shall be fully accessible to the department at any time. The department may set contract specifications for the storage of that data in a central data storage system or facility designated by the department.

(j) The department shall ensure an effective transition to the new program by implementing an effective public education program and may specify in the request for proposal a dollar amount that bidders are required to include in their bids for public education activities, to be implemented pursuant to Section 44070.5.

(k) The department shall ensure the effective management of the test-only stations and shall specify in the request for proposal that a manager be present during all hours of station operation.

(l) The department shall ensure and facilitate the effective transition of employees of businesses that are licensed or otherwise substantially participating in the smog check program and may specify in the request for proposal that test-only station management be Automotive Service Excellence (ASE) certified, or be certified by a comparable program as determined by the department.

(m) As part of the contracts to be awarded pursuant to subdivision (e), the department may require contractors to perform functions previously undertaken by referee stations throughout the state, as determined by the department, at some or all of the affected stations in enhanced areas, and at additional stations outside enhanced areas only to the extent necessary to provide appropriate access to referee functions.

(n) Notwithstanding any other provision of law, to avoid delays to the program implementation timeline required by this chapter or the Clean Air Act, the Department of General Services, at the request of the department, may exempt contracts awarded pursuant to this section from existing laws, rules, resolutions, or procedures that are otherwise applicable, including, but not limited to, restrictions on awarding contracts for more than three years. The department shall identify any exemptions requested and granted pursuant to this subdivision and report thereon to the Legislature.

(o) This section shall not be implemented unless the memorandum of agreement described in Section 44081.6 is signed by both the California Environmental Protection Agency and the Environmental Protection Agency.

(p) The department shall implement the program established in this section only in urbanized areas classified by the Environmental Protection Agency as a serious, severe, or extreme nonattainment area for ozone or a moderate or serious nonattainment area for

carbon monoxide with a design value greater than 12.7 ppm, and shall not implement the program in any other area.

(q) If existing smog check stations, in order to participate in the enhanced program, have been required to make additional investments of more than ten thousand dollars (\$10,000), the department shall submit recommendations to the Governor and the Legislature for any appropriate mitigation measures.

SEC. 2. This act shall become operative only if Assembly Bill 2018 is enacted.

SEC. 3. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to ensure compliance with Environmental Protection Agency regulatory guidelines and the requirements of the Clean Air Act Amendments of 1990 (Public Law 101-549), it is necessary that this act take effect immediately.

CHAPTER 30

An act to amend Sections 7514 and 15364.21 of, to repeal Article 6 (commencing with Section 12261) of Chapter 3 of Part 2 of Division 3 of Title 2 of, and to repeal and add Chapter 5 (commencing with Section 16640) of Part 2 of Division 4 of Title 2 of, the Government Code, and to amend Sections 8276, 8277, 8278, and 8279 of the Public Utilities Code, relating to investments in South Africa, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor March 30, 1994. Filed with
Secretary of State March 30, 1994.]

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

SECTION 1. Section 7514 of the Government Code is amended to read:

7514. (a) Notwithstanding any other provision of law except Chapter 7 (commencing with Section 16649.80) of Part 2 of Division 4 of Title 2, any state or local public retirement system may invest, subject to and consistent with the standard for prudent investment set forth in Section 17 of Article XVI of the California Constitution, its assets in the bonds or other evidences of indebtedness unconditionally guaranteed by any foreign government that has met the payments of similar bonds or other evidences of indebtedness when due.

(b) A portion of the assets invested pursuant to this section may be used to purchase rated or unrated bonds, notes, or other instruments unconditionally guaranteed by Canada, Israel, or Mexico.

SEC. 2. Article 6 (commencing with Section 12261) of Chapter 3 of Part 2 of Division 3 of Title 2 of the Government Code is repealed.

SEC. 3. Section 15364.21 of the Government Code is amended to read:

15364.21. The service shall do all of the following consistent with federal law and national and state policy:

(a) Consult with and coordinate all state government agencies with duties pertaining to international matters, including, but not limited to, the California State World Trade Commission, the State Offices of Trade and Investment, the State Energy Resources Conservation and Development Commission, and the Department of Food and Agriculture, in order to implement the provisions of this article.

(b) Promote rapid global commercialization of California products and technologies by identifying and developing product and capital market linkages between California universities and colleges (including community colleges), private sector entities engaged in public/private partnerships with these universities and colleges, and their global private and public counterparts.

(c) Contribute to the development of immediate and long-term policy strategies, in close consultation with the California Council on Science and Technology, the President of the University of California, the Chancellor of the California Community Colleges, and the Chancellor of the California State University, with attention to stimulating California's economy towards meeting economic adjustment needs and fulfilling California's yet untapped potential in the six areas of economic development as follows:

- (1) Employment generation.
- (2) Education and human resource development.
- (3) Export development.
- (4) Environmental remediation and preservation.
- (5) Entrepreneurship.
- (6) Equal access to knowledge.

(d) Facilitate global market access for California enterprises by studying the feasibility of, and coordinating the development of, a statewide interactive electronic data base and network utilizing appropriate technologies such as CD-ROM (compact disk-read only memory) and on-line, recording global market needs and resources identified through various state and other sources, and linking these needs with the needs and capabilities of subscribing California enterprises. In studying the feasibility of, and coordinating the development of, the data base and network, the service shall work closely with the President of the University of California, the Chancellor of the California Community Colleges, and the Chancellor of the California State University, and with other California public and private universities and colleges, state and federal government agencies, and industry, including, but not limited to, the following:

- (1) The California Education Research and Federation Network

headquartered at the San Diego Supercomputer Center, and affiliates, including the California Internet Federation, the Federation of American Research Networks, and the National Research and Education Network.

(2) The Automated Trade Lead System project of the California State World Trade Commission, in association with the California State University at Fresno.

(3) The Pacific Rim Commercial Exchange Project at the California State University at Sacramento.

(4) The MEMEX Institute at the California State University at Chico.

(5) The California Community Colleges ED-NET system.

(e) Promote access for California enterprises in emerging growth opportunities in developed and developing economies and assist California enterprises in benefiting from the growth of free market forces in developing nations' economies, including selected countries in Asia, Southern Africa, Central America, Latin America, the Caribbean, and Eastern Europe, by doing the following:

(1) Providing assistance and information to private enterprises in these countries, and, with the approval of the United States Secretary of State, to their governments.

(2) Providing support for and assisting, to the extent practicable, in soliciting private sector or other nonstate support and in-kind contributions on behalf of select teams of academicians, technical specialists, and professionals associated with California universities and colleges (including community colleges) for purposes of conducting extended stays and providing onsite technical assistance in regions and to entities indicated in paragraph (1). The service shall select teams on the merits of their ability to contribute to fulfilling the mandate of the service as stipulated in subdivisions (b) to (h), inclusive. While it is the intent of the Legislature that the selected teams be self-funding or funded by nonstate sources to the extent possible, the service may pay for travel expenses and increases in living expenses incurred by the teams. The service may also provide members of the teams with stipends for reports to the Legislature and Governor documenting the respective teams' contributions to fulfilling the mandate of the service.

(3) Providing technical assistance and information to California enterprises, leveraging existing public resources, and utilizing existing delivery systems, including, but not limited to, technical assistance and training networks such as the California Community Colleges Economic Development Network, among others.

(4) Identifying and acting as the intermediary between foreign entities and California-based enterprises with products and services reflecting low, intermediate, and advanced technology capabilities, including, but not limited to, the following disciplines: electronics, biosciences, environmental sciences, commodity and specialty agriculture, food processing, computer hardware and software, telecommunications, and other manufacturing sectors.

(f) Facilitate the transformation of the technological infrastructure of developing countries in order to generate demand for California exports, including California-based information services and technology-based products, among other related services and products, while meeting the needs of the peoples of developing countries in their pursuit of an improved quality of life.

(g) Coordinate and focus existing public and private entities in California towards developing technological collaborations with counterparts throughout the world, with particular attention to Europe, Japan, the newly industrialized countries of Asia, Australia and nearby nations, and Canada, in addition to developing countries, in order to facilitate the export of California-based information services and technology-based products among other related services and products.

(h) Develop immediate and long-term policy strategies regarding access to global markets for information services and technology-based products, among other related services and products, with attention to stimulating California's economy towards meeting economic adjustment needs and fulfilling California's yet untapped potential in the six areas of economic development specified in subdivision (c).

SEC. 4. Chapter 5 (commencing with Section 16640) of Part 2 of Division 4 of Title 2 of the Government Code is repealed.

SEC. 5. Chapter 5 (commencing with Section 16640) is added to Part 2 of Division 4 of Title 2 of the Government Code, to read:

CHAPTER 5. INDEMNIFICATION

16640. Present and former members of the governing board of any trust fund, jointly and individually, state officers and employees, and investment managers under contract with the state shall be indemnified from the General Fund by the State of California from all claims, demands, suits, actions, damages, judgments, costs, charges, and expenses, including court costs and attorney's fees, and against all liability, losses, and damages of any nature whatsoever that these present or former board members, officers, employees, or contract investment managers shall or may at any time have sustained by reason of any decision not to invest in business firms with business operations in South Africa or business arrangements with the government of South Africa, or any decision not to invest in financial institutions extending credit to the government of South Africa or South African corporations, pursuant to former Chapter 5 (commencing with Section 16640) of this part as it read prior to its repeal by the act adding this section.

16641. Present and former Regents of the University of California, jointly and individually, officers and employees of the University of California, and investment managers under contract with the University of California shall be indemnified from the General Fund by the State of California from all claims, demands,

suits, actions, damages, judgments, costs, charges, and expenses, including court costs and attorney's fees, and against all liability, losses, and damages of any nature whatsoever that these present or former regents, officers, employees, or contract investment managers shall or may at any time have sustained by reason of any decision not to invest in business firms with business operations in South Africa or business arrangements with the government of South Africa, or any decision not to invest in financial institutions extending credit to the government of South Africa or South African corporations, pursuant to former Chapter 5 (commencing with Section 16640) of this part as it read prior to its repeal by the act adding this section.

SEC. 6. Section 8276 of the Public Utilities Code is amended to read:

8276. The commission shall prohibit any public utility that has any retirement funds invested in the government of Libya, or in any corporation based in that country, from including in its plant operating budget any losses incurred as a result of those investments.

SEC. 7. Section 8277 of the Public Utilities Code is amended to read:

8277. The commission shall require every public utility to provide the commission with a list of its retirement fund investments in the government of Libya, or in any corporation based in that country.

SEC. 8. Section 8278 of the Public Utilities Code is amended to read:

8278. The commission shall verify the accuracy of the information provided pursuant to Section 8277, and shall disallow any losses incurred as a result of investments in the government of Libya, or in any corporation based in that country, in establishing rates for the public utility.

SEC. 9. Section 8279 of the Public Utilities Code is amended to read:

8279. This article does not prevent the commission from applying this article to public utility retirement fund investments in other countries such as, but not limited to, Libya, if comparable conditions warrant that application.

SEC. 10. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order that immediate and substantial support may be provided to the newly formed government of South Africa at the earliest possible time and that the economic success of South Africa be supported as soon as possible so that apartheid will not be reinstated, it is necessary that this act take effect immediately.

CHAPTER 31

An act to amend Sections 7514 and 15364.21 of, to repeal Article 6 (commencing with Section 12261) of Chapter 3 of Part 2 of Division 3 of Title 2 of, and to repeal and add Chapter 5 (commencing with Section 16640) of Part 2 of Division 4 of Title 2 of, the Government Code, and to amend Sections 8276, 8277, 8278, and 8279 of the Public Utilities Code, relating to investments in South Africa, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor March 30, 1994. Filed with
Secretary of State March 30, 1994.]

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

SECTION 1. Section 7514 of the Government Code is amended to read:

7514. (a) Notwithstanding any other provision of law except Chapter 7 (commencing with Section 16649.80) of Part 2 of Division 4 of Title 2, any state or local public retirement system may invest, subject to and consistent with the standard for prudent investment set forth in Section 17 of Article XVI of the California Constitution, its assets in the bonds or other evidences of indebtedness unconditionally guaranteed by any foreign government that has met the payments of similar bonds or other evidences of indebtedness when due.

(b) A portion of the assets invested pursuant to this section may be used to purchase rated or unrated bonds, notes, or other instruments unconditionally guaranteed by Canada, Israel, or Mexico.

SEC. 2. Article 6 (commencing with Section 12261) of Chapter 3 of Part 2 of Division 3 of Title 2 of the Government Code is repealed.

SEC. 3. Section 15364.21 of the Government Code is amended to read:

15364.21. The service shall do all of the following consistent with federal law and national and state policy:

(a) Consult with and coordinate all state government agencies with duties pertaining to international matters, including, but not limited to, the California State World Trade Commission, the State Offices of Trade and Investment, the State Energy Resources Conservation and Development Commission, and the Department of Food and Agriculture, in order to implement the provisions of this article.

(b) Promote rapid global commercialization of California products and technologies by identifying and developing product and capital market linkages between California universities and colleges (including community colleges), private sector entities engaged in public/private partnerships with these universities and colleges, and their global private and public counterparts.

(c) Contribute to the development of immediate and long-term policy strategies, in close consultation with the California Council on Science and Technology, the President of the University of California, the Chancellor of the California Community Colleges, and the Chancellor of the California State University, with attention to stimulating California's economy towards meeting economic adjustment needs and fulfilling California's yet untapped potential in the six areas of economic development as follows:

- (1) Employment generation.
- (2) Education and human resource development.
- (3) Export development.
- (4) Environmental remediation and preservation.
- (5) Entrepreneurship.
- (6) Equal access to knowledge.

(d) Facilitate global market access for California enterprises by studying the feasibility of, and coordinating the development of, a statewide interactive electronic data base and network utilizing appropriate technologies such as CD-ROM (compact disk-read only memory) and on-line, recording global market needs and resources identified through various state and other sources, and linking these needs with the needs and capabilities of subscribing California enterprises. In studying the feasibility of, and coordinating the development of, the data base and network, the service shall work closely with the President of the University of California, the Chancellor of the California Community Colleges, and the Chancellor of the California State University, and with other California public and private universities and colleges, state and federal government agencies, and industry, including, but not limited to, the following:

(1) The California Education Research and Federation Network headquartered at the San Diego Supercomputer Center, and affiliates, including the California Internet Federation, the Federation of American Research Networks, and the National Research and Education Network.

(2) The Automated Trade Lead System project of the California State World Trade Commission, in association with the California State University at Fresno.

(3) The Pacific Rim Commercial Exchange Project at the California State University at Sacramento.

(4) The MEMEX Institute at the California State University at Chico.

(5) The California Community Colleges ED-NET system.

(e) Promote access for California enterprises in emerging growth opportunities in developed and developing economies and assist California enterprises in benefiting from the growth of free market forces in developing nations' economies, including selected countries in Asia, Southern Africa, Central America, Latin America, the Caribbean, and Eastern Europe, by doing the following:

(1) Providing assistance and information to private enterprises in

these countries, and, with the approval of the United States Secretary of State, to their governments.

(2) Providing support for and assisting, to the extent practicable, in soliciting private sector or other nonstate support and in-kind contributions on behalf of select teams of academicians, technical specialists, and professionals associated with California universities and colleges (including community colleges) for purposes of conducting extended stays and providing onsite technical assistance in regions and to entities indicated in paragraph (1). The service shall select teams on the merits of their ability to contribute to fulfilling the mandate of the service as stipulated in subdivisions (b) to (h), inclusive. While it is the intent of the Legislature that the selected teams be self-funding or funded by nonstate sources to the extent possible, the service may pay for travel expenses and increases in living expenses incurred by the teams. The service may also provide members of the teams with stipends for reports to the Legislature and Governor documenting the respective teams' contributions to fulfilling the mandate of the service.

(3) Providing technical assistance and information to California enterprises, leveraging existing public resources, and utilizing existing delivery systems, including, but not limited to, technical assistance and training networks such as the California Community Colleges Economic Development Network, among others.

(4) Identifying and acting as the intermediary between foreign entities and California-based enterprises with products and services reflecting low, intermediate, and advanced technology capabilities, including, but not limited to, the following disciplines: electronics, biosciences, environmental sciences, commodity and specialty agriculture, food processing, computer hardware and software, telecommunications, and other manufacturing sectors.

(f) Facilitate the transformation of the technological infrastructure of developing countries in order to generate demand for California exports, including California-based information services and technology-based products, among other related services and products, while meeting the needs of the peoples of developing countries in their pursuit of an improved quality of life.

(g) Coordinate and focus existing public and private entities in California towards developing technological collaborations with counterparts throughout the world, with particular attention to Europe, Japan, the newly industrialized countries of Asia, Australia and nearby nations, and Canada, in addition to developing countries, in order to facilitate the export of California-based information services and technology-based products among other related services and products.

(h) Develop immediate and long-term policy strategies regarding access to global markets for information services and technology-based products, among other related services and products, with attention to stimulating California's economy towards meeting economic adjustment needs and fulfilling California's yet

untapped potential in the six areas of economic development specified in subdivision (c).

SEC. 4. Chapter 5 (commencing with Section 16640) of Part 2 of Division 4 of Title 2 of the Government Code is repealed.

SEC. 5. Chapter 5 (commencing with Section 16640) is added to Part 2 of Division 4 of Title 2 of the Government Code, to read:

CHAPTER 5. INDEMNIFICATION

16640. Present and former members of the governing board of any trust fund, jointly and individually, state officers and employees, and investment managers under contract with the state shall be indemnified from the General Fund by the State of California from all claims, demands, suits, actions, damages, judgments, costs, charges, and expenses, including court costs and attorney's fees, and against all liability, losses, and damages of any nature whatsoever that these present or former board members, officers, employees, or contract investment managers shall or may at any time have sustained by reason of any decision not to invest in business firms with business operations in South Africa or business arrangements with the government of South Africa, or any decision not to invest in financial institutions extending credit to the government of South Africa or South African corporations, pursuant to former Chapter 5 (commencing with Section 16640) of this part as it read prior to its repeal by the act adding this section.

16641. Present and former Regents of the University of California, jointly and individually, officers and employees of the University of California, and investment managers under contract with the University of California shall be indemnified from the General Fund by the State of California from all claims, demands, suits, actions, damages, judgments, costs, charges, and expenses, including court costs and attorney's fees, and against all liability, losses, and damages of any nature whatsoever that these present or former regents, officers, employees, or contract investment managers shall or may at any time sustain by reason of any decision not to invest in business firms with business operations in South Africa or business arrangements with the government of South Africa, or any decision not to invest in financial institutions extending credit to the government of South Africa or South African corporations, pursuant to former Chapter 5 (commencing with Section 16640) of this part as it read prior to its repeal by the act adding this section.

SEC. 6. Section 8276 of the Public Utilities Code is amended to read:

8276. The commission shall prohibit any public utility that has any retirement funds invested in the government of Libya, or in any corporation based in that country, from including in its plant operating budget any losses incurred as a result of those investments.

SEC. 7. Section 8277 of the Public Utilities Code is amended to

read:

8277. The commission shall require every public utility to provide the commission with a list of its retirement fund investments in the government of Libya, or in any corporation based in that country.

SEC. 8. Section 8278 of the Public Utilities Code is amended to read:

8278. The commission shall verify the accuracy of the information provided pursuant to Section 8277, and shall disallow any losses incurred as a result of investments in the government of Libya, or in any corporation based in that country, in establishing rates for the public utility.

SEC. 9. Section 8279 of the Public Utilities Code is amended to read:

8279. This article does not prevent the commission from applying this article to public utility retirement fund investments in other countries such as, but not limited to, Libya, if comparable conditions warrant that application.

SEC. 10. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order that the state may make investments in South Africa at the earliest possible time, it is necessary that this act take effect immediately.

CHAPTER 32

An act to amend Sections 54952.1, 54952.2, 54953, 54953.5, 54953.6, 54954, 54954.2, 54954.3, 54954.5, 54956, 54956.8, 54956.9, 54957, 54957.1, 54957.5, 54957.6, 54959, 54960, 54960.1, 54961, and 54962 of, and to repeal Section 54925.1 of, the Government Code, relating to open meetings, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor March 30, 1994. Filed with
Secretary of State March 30, 1994.]

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

SECTION 1. Section 54925.1 of the Government Code is repealed.

SEC. 2. Section 54952.1 of the Government Code is amended to read:

54952.1. Any person elected to serve as a member of a legislative body who has not yet assumed the duties of office shall conform his or her conduct to the requirements of this chapter and shall be treated for purposes of enforcement of this chapter as if he or she has

already assumed office.

SEC. 3. Section 54952.2 of the Government Code is amended to read:

54952.2. (a) As used in this chapter, “meeting” includes any congregation of a majority of the members of a legislative body at the same time and place to hear, discuss, or deliberate upon any item that is within the subject matter jurisdiction of the legislative body or the local agency to which it pertains.

(b) Except as authorized pursuant to Section 54953, any use of direct communication, personal intermediaries, or technological devices that is employed by a majority of the members of the legislative body to develop a collective concurrence as to action to be taken on an item by the members of the legislative body is prohibited.

(c) Nothing in this section shall impose the requirements of this chapter upon any of the following:

(1) Individual contacts or conversations between a member of a legislative body and any other person.

(2) The attendance of a majority of the members of a legislative body at a conference or similar gathering open to the public that involves a discussion of issues of general interest to the public or to public agencies of the type represented by the legislative body, provided that a majority of the members do not discuss among themselves, other than as part of the scheduled program, business of a specified nature that is within the subject matter jurisdiction of the local agency. Nothing in this paragraph is intended to allow members of the public free admission to a conference or similar gathering at which the organizers have required other participants or registrants to pay fees or charges as a condition of attendance.

(3) The attendance of a majority of the members of a legislative body at an open and publicized meeting organized to address a topic of local community concern by a person or organization other than the local agency, provided that a majority of the members do not discuss among themselves, other than as part of the scheduled program, business of a specific nature that is within the subject matter jurisdiction of the legislative body of the local agency.

(4) The attendance of a majority of the members of a legislative body at an open and noticed meeting of another body of the local agency, provided that a majority of the members do not discuss among themselves, other than as part of the scheduled meeting, business of a specific nature that is within the subject matter jurisdiction of the legislative body of the local agency.

(5) The attendance of a majority of the members of a legislative body at a purely social or ceremonial occasion, provided that a majority of the members do not discuss among themselves business of a specific nature that is within the subject matter jurisdiction of the legislative body of the local agency.

SEC. 4. Section 54953 of the Government Code is amended to read:

54953. (a) All meetings of the legislative body of a local agency shall be open and public, and all persons shall be permitted to attend any meeting of the legislative body of a local agency, except as otherwise provided in this chapter.

(b) (1) Notwithstanding any other provision of law, the legislative body of a local agency may use video teleconferencing for the benefit of the public or the legislative body of a local agency in connection with any meeting or proceeding authorized by law.

(2) The use of video teleconferencing, as authorized by this chapter, shall be limited to the receipt of public comment or testimony by the legislative body and to deliberations of the legislative body.

(3) If the legislative body of a local agency elects to use video teleconferencing, it shall post agendas at all video teleconference locations and adopt reasonable regulations to adequately protect the statutory or constitutional rights of the parties or the public appearing before the legislative body of a local agency.

(4) The term "video teleconference" shall mean a system which provides for both audio and visual participation between all members of the legislative body and the public attending a meeting or hearing at any video teleconference location.

(c) No legislative body shall take action by secret ballot, whether preliminary or final.

SEC. 5. Section 54953.5 of the Government Code is amended to read:

54953.5. (a) Any person attending an open and public meeting of a legislative body of a local agency shall have the right to record the proceedings with an audio or video tape recorder or a still or motion picture camera in the absence of a reasonable finding by the legislative body of the local agency that the recording cannot continue without noise, illumination, or obstruction of view that constitutes, or would constitute, a persistent disruption of the proceedings.

(b) Any tape or film record of an open and public meeting made for whatever purpose by or at the direction of the local agency shall be subject to inspection pursuant to the California Public Records Act (Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1), but, notwithstanding Section 34090, may be erased or destroyed 30 days after the taping or recording. Any inspection of a video or tape recording shall be provided without charge on a video or tape player made available by the local agency.

SEC. 6. Section 54953.6 of the Government Code is amended to read:

54953.6. No legislative body of a local agency shall prohibit or otherwise restrict the broadcast of its open and public meetings in the absence of a reasonable finding that the broadcast cannot be accomplished without noise, illumination, or obstruction of view that would constitute a persistent disruption of the proceedings.

SEC. 7. Section 54954 of the Government Code is amended to

read:

54954. (a) The legislative body of a local agency shall provide, by ordinance, resolution, bylaws, or by whatever other rule is required for the conduct of business by that body, the time and place for holding regular meetings.

(b) Regular and special meetings of the legislative body shall be held within the boundaries of the territory over which the local agency exercises jurisdiction, except to do any of the following:

(1) Comply with state or federal law or court order, or attend a judicial or administrative proceeding to which the local agency is a party.

(2) Inspect real or personal property which cannot be conveniently brought within the boundaries of the territory over which the local agency exercises jurisdiction provided that the topic of the meeting is limited to items directly related to the real or personal property.

(3) Participate in meetings or discussions of multiagency significance that are outside the boundaries of a local agency's jurisdiction. However, any meeting or discussion held pursuant to this subdivision shall take place within the jurisdiction of one of the participating local agencies and be noticed by all participating agencies as provided for in this chapter.

(4) Meet in the closest meeting facility if the local agency has no meeting facility within the boundaries of the territory over which the local agency exercises jurisdiction, or at the principal office of the local agency if that office is located outside the territory over which the agency exercises jurisdiction.

(5) Meet outside their immediate jurisdiction with elected or appointed officials of the United States or the State of California when a local meeting would be impractical, solely to discuss a legislative or regulatory issue affecting the local agency and over which the federal or state officials have jurisdiction.

(6) Meet outside their immediate jurisdiction if the meeting takes place in or nearby a facility owned by the agency, provided that the topic of the meeting is limited to items directly related to the facility.

(7) Visit the office of the local agency's legal counsel for a closed session on pending litigation held pursuant to Section 54956.9, when to do so would reduce legal fees or costs.

(c) Meetings of the governing board of a school district shall be held within the district except under the circumstances enumerated in subdivision (b), or to do any of the following:

(1) Attend a conference on nonadversarial collective bargaining techniques.

(2) Interview members of the public residing in another district with reference to the trustees' potential employment of the superintendent of that district.

(3) Interview a potential employee from another district.

(d) Meetings of a joint powers authority shall occur within the territory of at least one of its member agencies, or as provided in

subdivision (b). However, a joint powers authority which has members throughout the state may meet at any facility in the state which complies with the requirements of Section 54961.

(e) If, by reason of fire, flood, earthquake, or other emergency, it shall be unsafe to meet in the place designated, the meetings shall be held for the duration of the emergency at the place designated by the presiding officer of the legislative body or his or her designee in a notice to the local media that have requested notice pursuant to Section 54956, by the most rapid means of communication available at the time.

SEC. 8. Section 54954.2 of the Government Code is amended to read:

54954.2. (a) At least 72 hours before a regular meeting, the legislative body of the local agency, or its designee, shall post an agenda containing a brief general description of each item of business to be transacted or discussed at the meeting, including items to be discussed in closed session. A brief general description of an item generally need not exceed 20 words. The agenda shall specify the time and location of the regular meeting and shall be posted in a location that is freely accessible to members of the public.

No action or discussion shall be undertaken on any item not appearing on the posted agenda, except that members of a legislative body or its staff may briefly respond to statements made or questions posed by persons exercising their public testimony rights under Section 54954.3. In addition, on their own initiative or in response to questions posed by the public, a member of a legislative body or its staff may ask a question for clarification, make a brief announcement, or make a brief report on his or her own activities. Furthermore, a member of a legislative body, or the body itself, subject to rules or procedures of the legislative body, may provide a reference to staff or other resources for factual information, request staff to report back to the body at a subsequent meeting concerning any matter, or take action to direct staff to place a matter of business on a future agenda.

(b) Notwithstanding subdivision (a), the legislative body may take action on items of business not appearing on the posted agenda under any of the conditions stated below. Prior to discussing any item pursuant to this subdivision, the legislative body shall publicly identify the item.

(1) Upon a determination by a majority vote of the legislative body that an emergency situation exists, as defined in Section 54956.5.

(2) Upon a determination by a two-thirds vote of the legislative body, or, if less than two-thirds of the members are present, a unanimous vote of those members present, that there is a need to take immediate action and that the need for action came to the attention of the local agency subsequent to the agenda being posted as specified in subdivision (a).

(3) The item was posted pursuant to subdivision (a) for a prior

meeting of the legislative body occurring not more than five calendar days prior to the date action is taken on the item, and at the prior meeting the item was continued to the meeting at which action is being taken.

SEC. 9. Section 54954.3 of the Government Code is amended to read:

54954.3. (a) Every agenda for regular meetings shall provide an opportunity for members of the public to directly address the legislative body on any item of interest to the public, before or during the legislative body's consideration of the item, that is within the subject matter jurisdiction of the legislative body, provided that no action shall be taken on any item not appearing on the agenda unless the action is otherwise authorized by subdivision (b) of Section 54954.2. However, the agenda need not provide an opportunity for members of the public to address the legislative body on any item that has already been considered by a committee, composed exclusively of members of the legislative body, at a public meeting wherein all interested members of the public were afforded the opportunity to address the committee on the item, before or during the committee's consideration of the item, unless the item has been substantially changed since the committee heard the item, as determined by the legislative body. Every notice for a special meeting shall provide an opportunity for members of the public to directly address the legislative body concerning any item that has been described in the notice for the meeting before or during consideration of that item.

(b) The legislative body of a local agency may adopt reasonable regulations to ensure that the intent of subdivision (a) is carried out, including, but not limited to, regulations limiting the total amount of time allocated for public testimony on particular issues and for each individual speaker.

(c) The legislative body of a local agency shall not prohibit public criticism of the policies, procedures, programs, or services of the agency, or of the acts or omissions of the legislative body. Nothing in this subdivision shall confer any privilege or protection for expression beyond that otherwise provided by law.

SEC. 10. Section 54954.5 of the Government Code is amended to read:

54954.5. For purposes of describing closed session items pursuant to Section 54954.2, the agenda may describe closed sessions as provided below. No legislative body or elected official shall be in violation of Section 54954.2 or 54956 if the closed session items were described in substantial compliance with this section. Substantial compliance is satisfied by including the information provided below, irrespective of its format.

(a) With respect to a closed session held pursuant to Section 54956.7:

LICENSE/PERMIT DETERMINATION

Applicant(s): (Specify number of applicants)

(b) With respect to every item of business to be discussed in closed session pursuant to Section 54956.8:

CONFERENCE WITH REAL PROPERTY NEGOTIATOR

Property: (Specify street address, or if no street address, the parcel number or other unique reference, of the real property under negotiation)

Negotiating parties: (Specify name of party (not agent))

Under negotiation: (Specify whether instruction to negotiator will concern price, terms of payment, or both)

(c) With respect to every item of business to be discussed in closed session pursuant to Section 54956.9:

CONFERENCE WITH LEGAL COUNSEL-EXISTING LITIGATION

(Subdivision (a) of Section 54956.9)

Name of case: (Specify by reference to claimant's name, names of parties, case or claim numbers)

or

Case name unspecified: (Specify whether disclosure would jeopardize service of process or existing settlement negotiations)

CONFERENCE WITH LEGAL COUNSEL-ANTICIPATED LITIGATION

Significant exposure to litigation pursuant to subdivision (b) of Section 54956.9: (Specify number of potential cases)

(In addition to the information noticed above, the agency may be required to provide additional information on the agenda or in an oral statement prior to the closed session pursuant to subparagraphs (B) to (E), inclusive, of paragraph (3) of subdivision (b) of Section 54956.9.)

Initiation of litigation pursuant to subdivision (c) of Section 54956.9: (Specify number of potential cases)

(d) With respect to every item of business to be discussed in closed session pursuant to Section 54956.95:

LIABILITY CLAIMS

Claimant: (Specify name unless unspecified pursuant to Section 54961)

Agency claimed against: (Specify name)

(e) With respect to every item of business to be discussed in closed session pursuant to Section 54957:

THREAT TO PUBLIC SERVICES OR FACILITIES

Consultation with: (Specify name of law enforcement agency and title of officer)

PUBLIC EMPLOYEE APPOINTMENT

Title: (Specify description of position to be filled)

PUBLIC EMPLOYMENT

Title: (Specify description of position to be filled)

PUBLIC EMPLOYEE PERFORMANCE EVALUATION

Title: (Specify position title of employee being reviewed)

PUBLIC EMPLOYEE DISCIPLINE/DISMISSAL/RELEASE

(No additional information is required in connection with a closed

session to consider discipline, dismissal, or release of a public employee. Discipline includes potential reduction of compensation.)

(f) With respect to every item of business to be discussed in closed session pursuant to Section 54957.6:

CONFERENCE WITH LABOR NEGOTIATOR

Agency negotiator: (Specify name)

Employee organization: (Specify name of organization representing employee or employees in question)

or

Unrepresented employee: (Specify position title of unrepresented employee who is the subject of the negotiations)

(g) With respect to closed sessions called pursuant to Section 54957.8:

CASE REVIEW/PLANNING

(No additional information is required in connection with a closed session to consider case review or planning.)

(h) With respect to every item of business to be discussed in closed session pursuant to Sections 1461, 32106, and 32155 of the Health and Safety Code or Sections 37606 and 37624.3 of the Government Code:

REPORT INVOLVING TRADE SECRET

Discussion will concern: (Specify whether discussion will concern proposed new service, program, or facility)

Estimated date of public disclosure: (Specify month and year)

HEARINGS

Subject matter: (Specify whether testimony/deliberation will concern staff privileges, report of medical audit committee, or report of quality assurance committee)

SEC. 11. Section 54956 of the Government Code is amended to read:

54956. A special meeting may be called at any time by the presiding officer of the legislative body of a local agency, or by a majority of the members of the legislative body, by delivering personally or by mail written notice to each member of the legislative body and to each local newspaper of general circulation, radio or television station requesting notice in writing. The notice shall be delivered personally or by mail and shall be received at least 24 hours before the time of the meeting as specified in the notice. The call and notice shall specify the time and place of the special meeting and the business to be transacted or discussed. No other business shall be considered at these meetings by the legislative body. The written notice may be dispensed with as to any member who at or prior to the time the meeting convenes files with the clerk or secretary of the legislative body a written waiver of notice. The waiver may be given by telegram. The written notice may also be dispensed with as to any member who is actually present at the meeting at the time it convenes.

The call and notice shall be posted at least 24 hours prior to the special meeting in a location that is freely accessible to members of

the public.

SEC. 12. Section 54956.8 of the Government Code is amended to read:

54956.8. Notwithstanding any other provision of this chapter, a legislative body of a local agency may hold a closed session with its negotiator prior to the purchase, sale, exchange, or lease of real property by or for the local agency to grant authority to its negotiator regarding the price and terms of payment for the purchase, sale, exchange, or lease.

However, prior to the closed session, the legislative body of the local agency shall hold an open and public session in which it identifies the real property or real properties which the negotiations may concern and the person or persons with whom its negotiator may negotiate.

For the purpose of this section, the negotiator may be a member of the legislative body of the local agency.

For purposes of this section, "lease" includes renewal or renegotiation of a lease.

Nothing in this section shall preclude a local agency from holding a closed session for discussions regarding eminent domain proceedings pursuant to Section 54956.9.

SEC. 13. Section 54956.9 of the Government Code is amended to read:

54956.9. Nothing in this chapter shall be construed to prevent a legislative body of a local agency, based on advice of its legal counsel, from holding a closed session to confer with, or receive advice from, its legal counsel regarding pending litigation when discussion in open session concerning those matters would prejudice the position of the local agency in the litigation.

For purposes of this chapter, all expressions of the lawyer-client privilege other than those provided in this section are hereby abrogated. This section is the exclusive expression of the lawyer-client privilege for purposes of conducting closed-session meetings pursuant to this chapter.

For purposes of this section, "litigation" includes any adjudicatory proceeding, including eminent domain, before a court, administrative body exercising its adjudicatory authority, hearing officer, or arbitrator.

For purposes of this section, litigation shall be considered pending when any of the following circumstances exist:

(a) Litigation, to which the local agency is a party, has been initiated formally.

(b) (1) A point has been reached where, in the opinion of the legislative body of the local agency on the advice of its legal counsel, based on existing facts and circumstances, there is a significant exposure to litigation against the local agency.

(2) Based on existing facts and circumstances, the legislative body of the local agency is meeting only to decide whether a closed session is authorized pursuant to paragraph (1) of this subdivision.

(3) For purposes of paragraphs (1) and (2), "existing facts and circumstances" shall consist only of one of the following:

(A) Facts and circumstances that might result in litigation against the local agency but which the local agency believes are not yet known to a potential plaintiff or plaintiffs, which facts and circumstances need not be disclosed.

(B) Facts and circumstances, including, but not limited to, an accident, disaster, incident, or transactional occurrence that might result in litigation against the agency and that are known to a potential plaintiff or plaintiffs, which facts or circumstances shall be publicly stated on the agenda or announced.

(C) The receipt of a claim pursuant to the Tort Claims Act or some other written communication from a potential plaintiff threatening litigation, which claim or communication shall be available for public inspection pursuant to Section 54957.5.

(D) A statement made by a person in an open and public meeting threatening litigation on a specific matter within the responsibility of the legislative body.

(E) A statement threatening litigation made by a person outside an open and public meeting on a specific matter within the responsibility of the legislative body so long as the official or employee of the local agency receiving knowledge of the threat makes a contemporaneous or other record of the statement prior to the meeting, which record shall be available for public inspection pursuant to Section 54957.5. The records so created need not identify the alleged victim of unlawful or tortious sexual conduct or anyone making the threat on their behalf, or identify a public employee who is the alleged perpetrator of any unlawful or tortious conduct upon which a threat of litigation is based, unless the identity of the person has been publicly disclosed.

(F) Nothing in this section shall require disclosure of written communications that are privileged and not subject to disclosure pursuant to the California Public Records Act (Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1).

(c) Based on existing facts and circumstances, the legislative body of the local agency has decided to initiate or is deciding whether to initiate litigation.

Prior to holding a closed session pursuant to this section, the legislative body of the local agency shall state on the agenda or publicly announce the subdivision of this section that authorizes the closed session. If the session is closed pursuant to subdivision (a), the body shall state the title of or otherwise specifically identify the litigation to be discussed, unless the body states that to do so would jeopardize the agency's ability to effectuate service of process upon one or more unserved parties, or that to do so would jeopardize its ability to conclude existing settlement negotiations to its advantage.

A local agency shall be considered to be a "party" or to have a "significant exposure to litigation" if an officer or employee of the local agency is a party or has significant exposure to litigation

concerning prior or prospective activities or alleged activities during the course and scope of that office or employment, including litigation in which it is an issue whether an activity is outside the course and scope of the office or employment.

SEC. 14. Section 54957 of the Government Code is amended to read:

54957. Nothing contained in this chapter shall be construed to prevent the legislative body of a local agency from holding closed sessions with the Attorney General, district attorney, sheriff, or chief of police, or their respective deputies, on matters posing a threat to the security of public buildings or a threat to the public's right of access to public services or public facilities, or from holding closed sessions during a regular or special meeting to consider the appointment, employment, evaluation of performance, discipline, or dismissal of a public employee or to hear complaints or charges brought against the employee by another person or employee unless the employee requests a public session.

As a condition to holding a closed session on specific complaints or charges brought against an employee by another person or employee, the employee shall be given written notice of his or her right to have the complaints or charges heard in an open session rather than a closed session, which notice shall be delivered to the employee personally or by mail at least 24 hours before the time for holding the session. If notice is not given, any disciplinary or other action taken by the legislative body against the employee based on the specific complaints or charges in the closed session shall be null and void.

The legislative body also may exclude from the public or closed meeting, during the examination of a witness, any or all other witnesses in the matter being investigated by the legislative body.

For the purposes of this section, the term "employee" shall include an officer or an independent contractor who functions as an officer or an employee but shall not include any elected official, member of a legislative body or other independent contractors. Nothing in this section shall limit local officials' ability to hold closed session meetings pursuant to Sections 1461, 32106, and 32155 of the Health and Safety Code or Sections 37606 and 37624.3 of the Government Code. Closed sessions held pursuant to this section shall not include discussion or action on proposed compensation except for a reduction of compensation that results from the imposition of discipline.

SEC. 15. Section 54957.1 of the Government Code is amended to read:

54957.1. (a) The legislative body of any local agency shall publicly report any action taken in closed session and the vote or abstention of every member present thereon, as follows:

(1) Approval of an agreement concluding real estate negotiations pursuant to Section 54956.8 shall be reported after the agreement is final, as specified below:

(A) If its own approval renders the agreement final, the body shall report that approval and the substance of the agreement in open session at the public meeting during which the closed session is held.

(B) If final approval rests with the other party to the negotiations, the local agency shall disclose the fact of that approval and the substance of the agreement upon inquiry by any person, as soon as the other party or its agent has informed the local agency of its approval.

(2) Approval given to its legal counsel to defend, or seek or refrain from seeking appellate review or relief, or to enter as an amicus curiae in any form of litigation as the result of a consultation under Section 54956.9 shall be reported in open session at the public meeting during which the closed session is held. The report shall identify, if known, the adverse party or parties and the substance of the litigation. In the case of approval given to initiate or intervene in an action, the announcement need not identify the action, the defendants, or other particulars, but shall specify that the direction to initiate or intervene in an action has been given and that the action, the defendants, and the other particulars shall, once formally commenced, be disclosed to any person upon inquiry, unless to do so would jeopardize the agency's ability to effectuate service of process on one or more unserved parties, or that to do so would jeopardize its ability to conclude existing settlement negotiations to its advantage.

(3) Approval given to its legal counsel of a settlement of pending litigation, as defined in Section 54956.9, at any stage prior to or during a judicial or quasi-judicial proceeding shall be reported after the settlement is final, as specified below:

(A) If the legislative body accepts a settlement offer signed by the opposing party, the body shall report its acceptance and identify the substance of the agreement in open session at the public meeting during which the closed session is held.

(B) If final approval rests with some other party to the litigation or with the court, then as soon as the settlement becomes final, and upon inquiry by any person, the local agency shall disclose the fact of that approval, and identify the substance of the agreement.

(4) Disposition reached as to claims discussed in closed session pursuant to Section 54956.95 shall be reported as soon as reached in a manner that identifies the name of the claimant, the name of the local agency claimed against, the substance of the claim, and any monetary amount approved for payment and agreed upon by the claimant.

(5) Action taken to appoint, employ, dismiss, accept the resignation of, or otherwise affect the employment status of a public employee in closed session pursuant to Section 54957 shall be reported at the public meeting during which the closed session is held. Any report required by this paragraph shall identify the title of the position. The general requirement of this paragraph notwithstanding, the report of a dismissal or of the nonrenewal of an

employment contract shall be deferred until the first public meeting following the exhaustion of administrative remedies, if any.

(6) Approval of an agreement concluding labor negotiations with represented employees pursuant to Section 54957.6 shall be reported after the agreement is final and has been accepted or ratified by the other party. The report shall identify the item approved and the other party or parties to the negotiation.

(b) Reports that are required to be made pursuant to this section may be made orally or in writing. The legislative body shall provide to any person who has submitted a written request to the legislative body within 24 hours of the posting of the agenda, or to any person who has made a standing request for all documentation as part of a request for notice of meetings pursuant to Section 54954.1 or 54956, if the requester is present at the time the closed session ends, copies of any contracts, settlement agreements, or other documents that were finally approved or adopted in the closed session. If the action taken results in one or more substantive amendments to the related documents requiring retyping, the documents need not be released until the retyping is completed during normal business hours, provided that the presiding officer of the legislative body or his or her designee orally summarizes the substance of the amendments for the benefit of the document requester or any other person present and requesting the information.

(c) The documentation referred to in paragraph (b) shall be available to any person on the next business day following the meeting in which the action referred to is taken or, in the case of substantial amendments, when any necessary retyping is complete.

(d) Nothing in this section shall be construed to require that the legislative body approve actions not otherwise subject to legislative body approval.

(e) No action for injury to a reputational, liberty, or other personal interest may be commenced by or on behalf of any employee or former employee with respect to whom a disclosure is made by a legislative body in an effort to comply with this section.

SEC. 16. Section 54957.5 of the Government Code is amended to read:

54957.5. (a) Notwithstanding Section 6255 or any other provisions of law, agendas of public meetings and any other writings, when distributed to all, or a majority of all, of the members of a legislative body of a local agency by any person in connection with a matter subject to discussion or consideration at a public meeting of the body, are disclosable public records under the California Public Records Act (Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1), and shall be made available upon request without delay. However, this section shall not include any writing exempt from public disclosure under Section 6253.5, 6254, or 6254.7.

(b) Writings which are public records under subdivision (a) and which are distributed during a public meeting shall be made available for public inspection at the meeting if prepared by the local

agency or a member of its legislative body, or after the meeting if prepared by some other person.

(c) Nothing in this chapter shall be construed to prevent the legislative body of a local agency from charging a fee or deposit for a copy of a public record pursuant to Section 6257.

(d) This section shall not be construed to limit or delay the public's right to inspect any record required to be disclosed under the requirements of the California Public Records Act (Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1). Nothing in this chapter shall be construed to require a legislative body of a local agency to place any paid advertisement or any other paid notice in any publication.

SEC. 17. Section 54957.6 of the Government Code is amended to read:

54957.6. (a) Notwithstanding any other provision of law, a legislative body of a local agency may hold closed sessions with the local agency's designated representatives regarding the salaries, salary schedules, or compensation paid in the form of fringe benefits of its represented and unrepresented employees, and, for represented employees, any other matter within the statutorily-provided scope of representation. Closed sessions of a legislative body of a local agency, as permitted in this section, shall be for the purpose of reviewing its position and instructing the local agency's designated representatives. Closed sessions, as permitted in this section, may take place prior to and during consultations and discussions with representatives of employee organizations and unrepresented employees.

Closed sessions with the local agency's designated representative regarding the salaries, salary schedules, or compensation paid in the form of fringe benefits may include discussion of an agency's available funds and funding priorities, but only insofar as these discussions relate to providing instructions to the local agency's designated representative.

Closed sessions held pursuant to this section shall not include final action on the proposed compensation of one or more unrepresented employees.

For the purposes enumerated in this section, a legislative body of a local agency may also meet with a state conciliator who has intervened in the proceedings.

(b) For the purposes of this section, the term "employee" shall include an officer or an independent contractor who functions as an officer or an employee, but shall not include any elected official, member of a legislative body, or other independent contractors.

SEC. 18. Section 54959 of the Government Code is amended to read:

54959. Each member of a legislative body who attends a meeting of that legislative body where action is taken in violation of any provision of this chapter, and where the member intends to deprive the public of information to which the member knows or has reason

to know the public is entitled under this chapter, is guilty of a misdemeanor.

SEC. 19. Section 54960 of the Government Code is amended to read:

54960. (a) The district attorney or any interested person may commence an action by mandamus, injunction or declaratory relief for the purpose of stopping or preventing violations or threatened violations of this chapter by members of the legislative body of a local agency or to determine the applicability of this chapter to actions or threatened future action of the legislative body, or to determine whether any rule or action by the legislative body to penalize or otherwise discourage the expression of one or more of its members is valid or invalid under the laws of this state or of the United States, or to compel the legislative body to tape record its closed sessions as hereinafter provided.

(b) The court in its discretion may, upon a judgment of a violation of Section 54956.7, 54956.8, 54956.9, 54956.95, 54957, or 54957.6, order the legislative body to tape record its closed sessions and preserve the tape recordings for the period and under the terms of security and confidentiality the court deems appropriate.

(c) (1) Each recording so kept shall be immediately labeled with the date of the closed session recorded and the title of the clerk or other officer who shall be custodian of the recording.

(2) The tapes shall be subject to the following discovery procedures:

(A) In any case in which discovery or disclosure of the tape is sought by either the district attorney or the plaintiff in a civil action pursuant to Section 54959, 54960, or 54960.1 alleging that a violation of this chapter has occurred in a closed session which has been recorded pursuant to this section, the party seeking discovery or disclosure shall file a written notice of motion with the appropriate court with notice to the governmental agency which has custody and control of the tape recording. The notice shall be given pursuant to subdivision (b) of Section 1005 of the Code of Civil Procedure.

(B) The notice shall include, in addition to the items required by Section 1010 of the Code of Civil Procedure, all of the following:

(i) Identification of the proceeding in which discovery or disclosure is sought, the party seeking discovery or disclosure, the date and time of the meeting recorded, and the governmental agency which has custody and control of the recording.

(ii) An affidavit which contains specific facts indicating that a violation of the act occurred in the closed session.

(3) If the court, following a review of the motion, finds that there is good cause to believe that a violation has occurred, the court may review, in camera, the recording of that portion of the closed session alleged to have violated the act.

(4) If, following the in camera review, the court concludes that disclosure of a portion of the recording would be likely to materially assist in the resolution of the litigation alleging violation of this

chapter, the court shall, in its discretion, make a certified transcript of the portion of the recording a public exhibit in the proceeding.

(5) Nothing in this section shall permit discovery of communications which are protected by the attorney-client privilege.

SEC. 20. Section 54960.1 of the Government Code is amended to read:

54960.1. (a) The district attorney or any interested person may commence an action by mandamus or injunction for the purpose of obtaining a judicial determination that an action taken by a legislative body of a local agency in violation of Section 54953, 54954.2, 54954.5, 54954.6, or 54956 is null and void under this section. Nothing in this chapter shall be construed to prevent a legislative body from curing or correcting an action challenged pursuant to this section.

(b) Prior to any action being commenced pursuant to subdivision (a), the district attorney or interested person shall make a demand of the legislative body to cure or correct the action alleged to have been taken in violation of Section 54953, 54954.2, 54954.5, 54954.6, or 54956. The demand shall be in writing and clearly describe the challenged action of the legislative body and nature of the alleged violation.

(c) (1) The written demand shall be made within 90 days from the date the action was taken unless the action was taken in an open session but in violation of Section 54954.2, in which case the written demand shall be made within 30 days from the date the action was taken.

(2) Within 30 days of receipt of the demand, the legislative body shall cure or correct the challenged action and inform the demanding party in writing of its actions to cure or correct or inform the demanding party in writing of its decision not to cure or correct the challenged action.

(3) If the legislative body takes no action within the 30-day period, the inaction shall be deemed a decision not to cure or correct the challenged action, and the 15-day period to commence the action described in subdivision (a) shall commence to run the day after the 30-day period to cure or correct expires.

(4) Within 15 days of receipt of the written notice of the legislative body's decision to cure or correct, or not to cure or correct, or within 15 days of the expiration of the 30-day period to cure or correct, whichever is earlier, the demanding party shall be required to commence the action pursuant to subdivision (a) or thereafter be barred from commencing the action.

(d) An action taken that is alleged to have been taken in violation of Section 54953, 54954.2, 54954.5, 54954.6, or 54956 shall not be determined to be null and void if any of the following conditions exist:

(1) The action taken was in substantial compliance with Sections 54953, 54954.2, 54954.5, 54954.6, and 54956.

(2) The action taken was in connection with the sale or issuance of notes, bonds, or other evidences of indebtedness or any contract, instrument, or agreement thereto.

(3) The action taken gave rise to a contractual obligation, including a contract let by competitive bid other than compensation for services in the form of salary or fees for professional services, upon which a party has, in good faith and without notice of a challenge to the validity of the action, detrimentally relied.

(4) The action taken was in connection with the collection of any tax.

(5) Any person, city, city and county, county, district, or any agency or subdivision of the state alleging noncompliance with subdivision (a) of Section 54954.2, Section 54956, or Section 54956.5, because of any defect, error, irregularity, or omission in the notice given pursuant to those provisions, had actual notice of the item of business at least 72 hours prior to the meeting at which the action was taken, if the meeting was noticed pursuant to Section 54954.2, or 24 hours prior to the meeting at which the action was taken if the meeting was noticed pursuant to Section 54956, or prior to the meeting at which the action was taken if the meeting is held pursuant to Section 54956.5.

(e) During any action seeking a judicial determination pursuant to subdivision (a) if the court determines, pursuant to a showing by the legislative body that an action alleged to have been taken in violation of Section 54953, 54954.2, 54954.5, 54954.6, or 54956 has been cured or corrected by a subsequent action of the legislative body, the action filed pursuant to subdivision (a) shall be dismissed with prejudice.

(f) The fact that a legislative body takes a subsequent action to cure or correct an action taken pursuant to this section shall not be construed or admissible as evidence of a violation of this chapter.

SEC. 21. Section 54961 of the Government Code is amended to read:

54961. (a) No legislative body of a local agency shall conduct any meeting in any facility that prohibits the admittance of any person, or persons, on the basis of race, religious creed, color, national origin, ancestry, or sex, or which is inaccessible to disabled persons, or where members of the public may not be present without making a payment or purchase. This section shall apply to every local agency as defined in Section 54951.

(b) No notice, agenda, announcement, or report required under this chapter need identify any victim or alleged victim of tortious sexual conduct or child abuse unless the identity of the person has been publicly disclosed.

SEC. 22. Section 54962 of the Government Code is amended to read:

54962. Except as expressly authorized by this chapter, or by Sections 1461, 32106, and 32155 of the Health and Safety Code or Sections 37606 and 37624.3 of the Government Code as they apply to

hospitals, or by any provision of the Education Code pertaining to school districts and community college districts, no closed session may be held by any legislative body of any local agency.

SEC. 23. This act shall become operative on April 1, 1994.

SEC. 24. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to resolve inconsistencies created by several acts revising the Ralph M. Brown Act before these acts become operative on April 1, 1994, it is necessary that this act take effect immediately.

CHAPTER 33

An act to add Section 15046.1 to the Health and Safety Code, and to amend Sections 170, 17207, and 24347.5 of, and to add Sections 196.94, 196.95, and 196.96 to, the Revenue and Taxation Code, relating to disaster relief, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor March 30, 1994. Filed with
Secretary of State March 30, 1994.]

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

SECTION 1. Section 15046.1 is added to the Health and Safety Code, to read:

15046.1. (a) The payment of the filing fee described in Section 15046 may be postponed by the statewide office if all of the following conditions are met:

(1) The proposed construction or alteration has been proposed as a result of a seismic event that has been declared to be a disaster by the Governor.

(2) The statewide office determines that the applicant cannot presently afford to pay the filing fee.

(3) The applicant has applied for federal disaster relief from the Federal Emergency Management Agency (FEMA) with respect to the disaster described in paragraph (1).

(4) The applicant is expected to receive disaster assistance within one year from the date of the application.

(b) If the statewide office does not receive full payment of any fee for which payment has been postponed pursuant to subdivision (a) within one year from the date of plan approval, the statewide office may request an offset from the Controller for the unpaid amount against any amount owed by the state to the applicant, and may request additional offsets against amounts owed by the state to the applicant until the fee is paid in full. This subdivision shall not be construed to establish an offset as described in the preceding

sentence as the exclusive remedy for the collection of any unpaid fee amount as described in that same sentence.

SEC. 2. Section 170 of the Revenue and Taxation Code is amended to read:

170. (a) Notwithstanding any provision of law to the contrary, the board of supervisors may, by ordinance, provide that every assessee of any taxable property, or any person liable for the taxes thereon, whose property was damaged or destroyed without his or her fault, may apply for reassessment of that property as provided herein.

To be eligible for reassessment the damage or destruction to the property shall have been caused by any of the following:

(1) A major misfortune or calamity, in an area or region subsequently proclaimed by the Governor to be in a state of disaster, if that property was damaged or destroyed by the major misfortune or calamity that caused the Governor to proclaim the area or region to be in a state of disaster. As used in this paragraph "damage" includes a diminution in the value of property as a result of restricted access to the property where that restricted access was caused by the major misfortune or calamity.

(2) A misfortune or calamity.

(3) A misfortune or calamity that, with respect to a possessory interest in land owned by the state or federal government has caused the permit or other right to enter upon the land to be suspended or restricted. As used in this paragraph, "misfortune or calamity" includes a drought condition such as existed in this state in 1976 and 1977.

The application for reassessment may be filed within the time specified in the ordinance, or, if no time is specified, within 60 days of the misfortune or calamity, by delivering to the assessor a written application requesting reassessment showing the condition and value, if any, of the property immediately after the damage or destruction, and the dollar amount of the damage. The application shall be executed under penalty of perjury, or if executed outside the State of California, verified by affidavit.

An ordinance may be made applicable to a major misfortune or calamity specified in paragraph (1) or to any misfortune or calamity specified in paragraph (2), or to both, as the board of supervisors determines. An ordinance may not be made applicable to a misfortune or calamity specified in paragraph (3), unless an ordinance making paragraph (2) applicable is operative in the county. The ordinance may specify a period of time within which the ordinance shall be effective, and, if no period of time is specified, it shall remain in effect until repealed.

(b) Upon receiving a proper application, the assessor shall appraise the property and determine separately the full cash value of land, improvements and personalty immediately before and after the damage or destruction. If the sum of the full cash values of the land, improvements and personalty before the damage or

destruction exceeds the sum of the values after the damage by five thousand dollars (\$5,000) or more, the assessor shall also separately determine the percentage reductions in value of land, improvements and personalty due to the damage or destruction. The assessor shall reduce the values appearing on the assessment roll by the percentages of damage or destruction computed pursuant to this subdivision, and the taxes due on the property shall be adjusted as provided in subdivision (e). However, the amount of the reduction shall not exceed the actual loss.

(c) The assessor shall notify the applicant in writing of the amount of the proposed reassessment. The notice shall state that the applicant may appeal the proposed reassessment to the local board of equalization within 14 days of the date of mailing the notice. If an appeal is requested within the 14-day period, the board shall hear and decide the matter as if the proposed reassessment had been entered on the roll as an assessment made outside the regular assessment period. The decision of the board regarding the damaged value of the property shall be final, provided that a decision of the local board of equalization regarding any reassessment made pursuant to this section shall create no presumption as regards the value of the affected property subsequent to the date of the damage.

Those reassessed values resulting from reductions in full cash value of amounts, as determined above, shall be forwarded to the auditor by the assessor or the clerk of the local equalization board, as the case may be. The auditor shall enter the reassessed values on the roll. After being entered on the roll, those reassessed values shall not be subject to review, except by a court of competent jurisdiction.

(d) If no application is made and the assessor determines that within the preceding six months a property has suffered damage caused by misfortune or calamity that may qualify the property owner for relief under an ordinance adopted under this section, the assessor shall provide the last known owner of the property with an application for reassessment. The property owner shall file the completed application within 30 days of notification by the assessor but in no case more than six months after the occurrence of said damage. Upon receipt of a properly completed, timely filed application, the property shall be reassessed in the same manner as required in subdivision (b).

(e) The tax rate fixed for property on the roll on which the property so reassessed appeared at the time of the misfortune or calamity, shall be applied to the amount of the reassessment as determined in accordance with this section and the assessee shall be liable for: (1) a prorated portion of the taxes that would have been due on the property for the current fiscal year had the misfortune or calamity not occurred, such proration to be determined on the basis of the number of months in the current fiscal year prior to the misfortune or calamity; plus, (2) a proration of the tax due on the property as reassessed in its damaged or destroyed condition, to be determined on the basis of the number of months in the fiscal year

after the damage or destruction, including the month in which the damage was incurred. If the damage or destruction occurred after March 1 and before the beginning of the next fiscal year, the reassessment shall be utilized to determine the tax liability for the next fiscal year provided, however, that if the property is fully restored during the next fiscal year, taxes due for that year shall be prorated based on the number of months in the year before and after the completion of restoration.

(f) Any tax paid in excess of the total tax due shall be refunded to the taxpayer pursuant to Chapter 5 (commencing with Section 5096) of Part 9, as an erroneously collected tax or by order of the board of supervisors without the necessity of a claim being filed pursuant to Chapter 5.

(g) The assessed value of the property in its damaged condition, as determined pursuant to subdivision (b) compounded annually by the inflation factor specified in subdivision (a) of Section 51, shall be the taxable value of the property until it is restored, repaired, reconstructed or other provisions of the law require the establishment of a new base year value.

If partial reconstruction, restoration, or repair has occurred on any subsequent lien date, the taxable value shall be increased by an amount determined by multiplying the difference between its factored base year value immediately before the calamity and its assessed value in its damaged condition by the percentage of the repair, reconstruction, or restoration completed on that lien date.

When the property is fully repaired, restored or reconstructed, its new taxable value shall be the lesser of (1) its full cash value, or (2) its factored base year value or its factored base year value as adjusted pursuant to subdivision (c) of Section 70. The new taxable value shall be enrolled on the supplemental roll following completion of the repair, restoration, or reconstruction.

(h) This section applies to all counties, whether operating under a charter or under the general laws of this state.

(i) Any ordinance in effect pursuant to Section 155.1, 155.13, or 155.14 shall remain in effect according to its terms as if such ordinances were adopted pursuant to this section, subject to the limitations of subdivision (b).

(j) In lieu of subdivision (d), if no application is made and the assessor determines that within the preceding six months a property has suffered damage caused by misfortune or calamity, that may qualify the property owner for relief under an ordinance adopted under this section, the assessor may, with the approval of the board of supervisors, reassess the property as provided in subdivision (b) and notify the last known owner of the property of the reassessment.

SEC. 3. Section 196.94 is added to the Revenue and Taxation Code, to read:

196.94. In the 1993-94 fiscal year, or as soon as possible thereafter, the county auditor of an eligible county, proclaimed by the Governor to be in a state of disaster as a result of fire or any other related

casualty that occurred in the County of Los Angeles, Orange, Riverside, San Bernardino, San Diego, or Ventura, during October or November of 1993, shall certify to the Director of Finance an estimate of the total amount of the reduction in property tax revenues on both the regular secured roll and the supplemental roll for that fiscal year resulting from the reassessment of eligible properties by the county assessor pursuant to paragraph (1) of subdivision (a) of Section 170, except that the amount certified shall not include any estimated property tax revenue reductions to school districts (other than basic state aid school districts) and county offices of education. For purposes of this section, "basic state aid school district" means any school district that does not receive a state apportionment pursuant to subdivision (h) of Section 42238 of the Education Code, but receives from the state only a basic apportionment pursuant to Section 6 of Article IX of the California Constitution.

SEC. 4. Section 196.95 is added to the Revenue and Taxation Code, to read:

196.95. After the county auditor of an eligible county, as described in Section 196.94, has made the applicable certification to the Director of Finance pursuant to Section 196.94, the director shall, within 30 days after verification of the county auditor's estimate, certify this amount to the Controller for allocation to the county. Upon receipt of certification from the Director of Finance, the Controller shall make the appropriate allocation to the county within 10 working days thereafter.

SEC. 5. Section 196.96 is added to the Revenue and Taxation Code, to read:

196.96. On or before December 31, 1994, each eligible county, as described in Section 196.94, shall compute and remit to the Controller for deposit in the General Fund an amount equal to the amount allocated to it by the Controller pursuant to Section 196.94, less the actual amount of its property tax revenue lost in the immediately preceding fiscal year on the regular secured and supplemental rolls with respect to eligible properties as a result of the reassessment of those properties pursuant to paragraph (1) of subdivision (a) of Section 170, excluding any property tax revenue lost by school districts (other than basic state aid school districts) and county offices of education. If the actual amount of property tax revenue lost by an eligible county in the immediately preceding fiscal year, as described and limited in the preceding sentence, exceeds the amount allocated by the Controller to that county pursuant to Section 196.95, the Controller shall allocate the amount of that excess to that eligible county. For purposes of this section, "basic state aid school district" means any school district that does not receive a state apportionment pursuant to subdivision (h) of Section 42238 of the Education Code, but receives from the state only a basic apportionment pursuant to Section 6 of Article IX of the California Constitution.

SEC. 6. Section 17207 of the Revenue and Taxation Code is amended to read:

17207. (a) For disaster losses that qualify for treatment under Section 165(i) of the Internal Revenue Code, to the extent that those losses, as computed pursuant to Section 165(a) of the Internal Revenue Code, exceed the adjusted taxable income of the year of loss or, if the election under Section 165(i) of the Internal Revenue Code is made, the adjusted taxable income of the year preceding the loss, then that "excess loss," at the election of the taxpayer, may be carried to other taxable years as provided in subdivision (b), with respect to disaster losses resulting from any of the following:

(1) Forest fire or any other related casualty occurring in 1985 in California.

(2) Storm, flooding, or any other related casualty occurring in 1986 in California.

(3) Any loss sustained during 1987 as a result of a forest fire or any other related casualty.

(4) Earthquake, aftershock, or any other related casualty occurring in 1987 in California.

(5) Earthquake, aftershock, or any other related casualty occurring in 1989 in California.

(6) Any loss sustained during 1990 as a result of fire or any other related casualty in California.

(7) For taxable years beginning on or after January 1, 1991, any loss sustained as a result of the Oakland/Berkeley Fire of 1991, or any other related casualty.

(8) Any loss sustained as a result of storm, flooding, or any other related casualty occurring in February 1992 in California.

(9) Earthquake, aftershock, or any other related casualty occurring in April 1992 in the County of Humboldt.

(10) Riots, arson, or any other related casualty occurring in April or May 1992 in California.

(11) Any loss sustained as a result of the earthquakes that occurred in the County of San Bernardino in June and July of 1992, or any other related casualty.

(12) Any loss sustained as a result of the Fountain Fire that occurred in the County of Shasta, or as a result of either of the fires in the Counties of Calaveras and Trinity that occurred in August 1992, or any other related casualty.

(13) Any loss sustained as a result of a fire that occurred in the County of Los Angeles, Orange, Riverside, San Bernardino, San Diego, or Ventura, during October or November of 1993, or any other related casualty.

(b) For losses covered by Sections 165(c) (1) and 165(c) (2) of the Internal Revenue Code, relating to trade or business losses, losses resulting from transactions entered into for profit, and for losses covered by Section 165(c) (3) of the Internal Revenue Code, relating to personal casualty losses, the "excess loss" may be carried forward to each of the five taxable years following the year the loss is claimed.

However, if there is any "excess loss" remaining after the five-year period, then 50 percent of that "excess loss" may be carried forward to each of the next 10 taxable years.

(c) The entire amount of any "excess loss" as defined in subdivision (a) shall be carried to the earliest of the taxable years to which, by reason of subdivision (b), the loss may be carried. The portion of the loss which shall be carried to each of the other taxable years shall be the excess, if any, of the amount of "excess loss" over the sum of the adjusted taxable income for each of the prior taxable years to which that "excess loss" may be carried.

(d) The provisions of this section and Section 165(i) of the Internal Revenue Code shall be applicable to any of the following losses sustained in any county or city in this state which was proclaimed by the Governor to be in a state of disaster:

(1) Any loss sustained during February 1986 as a result of storm, flooding, or any other related casualty.

(2) Any loss sustained during 1987 as a result of forest fire or any other related casualty.

(3) Any loss sustained during October 1987 as the result of earthquake, aftershock, or any other related casualty.

(4) Any loss resulting from the earthquake which occurred in October 1989, aftershock, or any other related casualty.

(5) Any loss sustained during 1990 as the result of fire in the County of Santa Barbara.

(6) Any loss sustained as a result of storm, flooding, or any other related casualty occurring in February 1992 in California.

(7) For taxable years beginning on or after January 1, 1991, any loss sustained as a result of the Oakland/Berkeley Fire of 1991, or any other related casualty.

(8) Any loss sustained during April 1992 as a result of earthquake, aftershock, or any other related casualty in the County of Humboldt.

(9) Any loss sustained during April or May 1992 as a result of riots, arson, or any other related casualty.

(10) Any loss sustained as a result of earthquakes that occurred in the County of San Bernardino in June and July of 1992, or any other related casualty.

(11) Any loss sustained as a result of the Fountain Fire that occurred in the County of Shasta, or as a result of either of the fires in the Counties of Calaveras and Trinity that occurred in August 1992, or any other related casualty.

(12) Any loss sustained as a result of a fire that occurred in the County of Los Angeles, Orange, Riverside, San Bernardino, San Diego, or Ventura, during October or November of 1993, or any other related casualty.

(e) Losses described in this section may not be taken into account in computing a net operating loss deduction under Section 17201, as modified by Sections 17276, 17276.1, and 17276.2.

(f) For purposes of this section, "adjusted taxable income" shall be defined by Section 1212(b)(2)(B) of the Internal Revenue Code.

(g) For losses described in paragraph (13) of subdivision (a) and paragraph (12) of subdivision (d), the election under Section 165(i) of the Internal Revenue Code may be made on a return or amended return filed on or before the due date of the return (determined with regard to extension) for the taxable year in which the disaster occurred.

SEC. 6.5. Section 17207 of the Revenue and Taxation Code is amended to read:

17207. (a) For disaster losses that qualify for treatment under Section 165(i) of the Internal Revenue Code, to the extent that those losses, as computed pursuant to Section 165(a) of the Internal Revenue Code, exceed the adjusted taxable income of the year of loss or, if the election under Section 165(i) of the Internal Revenue Code is made, the adjusted taxable income of the year preceding the loss, then that "excess loss," at the election of the taxpayer, may be carried to other taxable years as provided in subdivision (b), with respect to disaster losses resulting from any of the following:

(1) Forest fire or any other related casualty occurring in 1985 in California.

(2) Storm, flooding, or any other related casualty occurring in 1986 in California.

(3) Any loss sustained during 1987 as a result of a forest fire or any other related casualty.

(4) Earthquake, aftershock, or any other related casualty occurring in 1987 in California.

(5) Earthquake, aftershock, or any other related casualty occurring in 1989 in California.

(6) Any loss sustained during 1990 as a result of fire or any other related casualty in California.

(7) For taxable years beginning on or after January 1, 1991, any loss sustained as a result of the Oakland/Berkeley Fire of 1991, or any other related casualty.

(8) Any loss sustained as a result of storm, flooding, or any other related casualty occurring in February 1992 in California.

(9) Earthquake, aftershock, or any other related casualty occurring in April 1992 in the County of Humboldt.

(10) Riots, arson, or any other related casualty occurring in April or May 1992 in California.

(11) Any loss sustained as a result of the earthquakes that occurred in the County of San Bernardino in June and July of 1992, or any other related casualty.

(12) Any loss sustained as a result of the Fountain Fire that occurred in the County of Shasta, or as a result of either of the fires in the Counties of Calaveras and Trinity that occurred in August 1992, or any other related casualty.

(13) Any loss sustained as a result of a fire that occurred in the County of Los Angeles, Orange, Riverside, San Bernardino, San Diego, or Ventura, during October or November of 1993, or any other related casualty.

(14) Any loss sustained as a result of the earthquake, aftershocks, or any other related casualty that occurred in the Counties of Los Angeles, Orange, and Ventura on or after January 17 in 1994.

(b) For losses covered by Sections 165(c) (1) and 165(c) (2) of the Internal Revenue Code, relating to trade or business losses, losses resulting from transactions entered into for profit, and for losses covered by Section 165(c) (3) of the Internal Revenue Code, relating to personal casualty losses, the "excess loss" may be carried forward to each of the five taxable years following the year the loss is claimed. However, if there is any "excess loss" remaining after the five-year period, then 50 percent of that "excess loss" may be carried forward to each of the next 10 taxable years.

(c) The entire amount of any "excess loss" as defined in subdivision (a) shall be carried to the earliest of the taxable years to which, by reason of subdivision (b), the loss may be carried. The portion of the loss which shall be carried to each of the other taxable years shall be the excess, if any, of the amount of "excess loss" over the sum of the adjusted taxable income for each of the prior taxable years to which that "excess loss" may be carried.

(d) The provisions of this section and Section 165(i) of the Internal Revenue Code shall be applicable to any of the following losses sustained in any county or city in this state which was proclaimed by the Governor to be in a state of disaster:

(1) Any loss sustained during February 1986 as a result of storm, flooding, or any other related casualty.

(2) Any loss sustained during 1987 as a result of forest fire or any other related casualty.

(3) Any loss sustained during October 1987 as the result of earthquake, aftershock, or any other related casualty.

(4) Any loss resulting from the earthquake which occurred in October 1989, aftershock, or any other related casualty.

(5) Any loss sustained during 1990 as the result of fire in the County of Santa Barbara.

(6) Any loss sustained as a result of storm, flooding, or any other related casualty occurring in February 1992 in California.

(7) For taxable years beginning on or after January 1, 1991, any loss sustained as a result of the Oakland/Berkeley Fire of 1991, or any other related casualty.

(8) Any loss sustained during April 1992 as a result of earthquake, aftershock, or any other related casualty in the County of Humboldt.

(9) Any loss sustained during April or May 1992 as a result of riots, arson, or any other related casualty.

(10) Any loss sustained as a result of earthquakes that occurred in the County of San Bernardino in June and July of 1992, or any other related casualty.

(11) Any loss sustained as a result of the Fountain Fire that occurred in the County of Shasta, or as a result of either of the fires in the Counties of Calaveras and Trinity that occurred in August 1992, or any other related casualty.

(12) Any loss sustained as a result of a fire that occurred in the County of Los Angeles, Orange, Riverside, San Bernardino, San Diego, or Ventura, during October or November of 1993, or any other related casualty.

(13) Any loss sustained as a result of the earthquake, aftershocks, or any other related casualty that occurred in the Counties of Los Angeles, Orange, and Ventura on or after January 17 in 1994.

(e) Losses described in this section may not be taken into account in computing a net operating loss deduction under Section 17201, as modified by Sections 17276, 17276.1, and 17276.2.

(f) For purposes of this section, "adjusted taxable income" shall be defined by Section 1212(b)(2)(B) of the Internal Revenue Code.

(g) For losses described in paragraphs (13) and (14) of subdivision (a) and paragraphs (12) and (13) of subdivision (d), the election under Section 165(i) of the Internal Revenue Code may be made on a return or amended return filed on or before the due date of the return (determined with regard to extension) for the taxable year in which the disaster occurred.

SEC. 7. Section 24347.5 of the Revenue and Taxation Code is amended to read:

24347.5. (a) In lieu of Section 24347, Section 165(i) of the Internal Revenue Code, relating to disaster losses, shall apply to each of the following:

(1) Forest fire or any other related casualty occurring in 1985 in California.

(2) Storm, flooding, or any other related casualty occurring in 1986 in California.

(3) Any loss sustained during 1987 as a result of a forest fire or any other related casualty.

(4) Earthquake, aftershock, or any other related casualty occurring in October 1987 in California.

(5) Earthquake, aftershock, or any related casualty occurring in October 1989 in California.

(6) Any loss sustained during 1990 as a result of fire or any other related casualty in California.

(7) Earthquake, aftershock, or any other related casualty occurring in April 1992 in the County of Humboldt.

(8) Riots, arson, or any other related casualty occurring in April or May 1992 in California.

(9) Any loss sustained as a result of a fire that occurred in the County of Los Angeles, Orange, Riverside, San Bernardino, San Diego, or Ventura, during October or November of 1993, or any other related casualty.

(b) To the extent that losses under subdivision (a) exceed the net income of the year of loss or, if the election under Section 165(i) of the Internal Revenue Code is made, the net income of the year preceding the loss, then that "excess loss," at the election of the taxpayer, may be carried forward to each of the five income years following the income year the loss is claimed. However, if there is any

“excess loss” remaining after the five-year period, then 50 percent of that “excess loss” may be carried forward to each of the next 10 income years.

(c) The entire amount of any “excess loss” as defined in subdivision (b) shall be carried to the earliest of the income years to which, by reason of subdivision (b), the loss may be carried. The portion of the loss which shall be carried to each of the other income years shall be the excess, if any, of the amount of “excess loss” over the sum of the net income for each of the prior income years to which that “excess loss” may be carried.

(d) This section and Section 165(i) of the Internal Revenue Code shall be applicable to any of the following losses sustained in any county or city in this state which was proclaimed by the Governor to be in a state of disaster:

(1) Any loss sustained during February 1986 as a result of storm, flooding, or any other related casualty.

(2) Any loss sustained during 1987 as a result of forest fire or any other related casualty.

(3) Any loss sustained during October 1987 as the result of earthquake, aftershock, or any other related casualty.

(4) Any loss resulting from the earthquake which occurred in October 1989, aftershock, or any other related casualty.

(5) Any loss sustained during 1990 as the result of fire in the County of Santa Barbara.

(6) Any loss sustained during April 1992 as a result of earthquake, aftershock, or any other related casualty in the County of Humboldt.

(7) Any loss sustained during April or May 1992 as a result of riots, arson, or any other related casualty.

(8) Any loss sustained as a result of a fire that occurred in the County of Los Angeles, Orange, Riverside, San Bernardino, San Diego, or Ventura, during October or November of 1993, or any other related casualty.

(e) Any corporation subject to the provisions of Section 25101 or 25101.15 that has disaster losses pursuant to this section, shall determine the “excess loss” to be carried to other income years under the principles specified in Section 25108 relating to net operating losses.

(f) Losses described in this section may not be taken into account in computing a net operating loss deduction under Section 24416 or 24416.1.

(g) For losses described in paragraph (9) of subdivision (a) and paragraph (8) of subdivision (d), the election under Section 165(i) of the Internal Revenue Code may be made on a return or amended return filed on or before the due date of the return (determined with regard to extension) for the income year in which the disaster occurred.

SEC. 7.5. Section 24347.5 of the Revenue and Taxation Code is amended to read:

24347.5. (a) In lieu of Section 24347, Section 165(i) of the

Internal Revenue Code, relating to disaster losses, shall apply to each of the following:

(1) Forest fire or any other related casualty occurring in 1985 in California.

(2) Storm, flooding, or any other related casualty occurring in 1986 in California.

(3) Any loss sustained during 1987 as a result of a forest fire or any other related casualty.

(4) Earthquake, aftershock, or any other related casualty occurring in October 1987 in California.

(5) Earthquake, aftershock, or any related casualty occurring in October 1989 in California.

(6) Any loss sustained during 1990 as a result of fire or any other related casualty in California.

(7) Earthquake, aftershock, or any other related casualty occurring in April 1992 in the County of Humboldt.

(8) Riots, arson, or any other related casualty occurring in April or May 1992 in California.

(9) Any loss sustained as a result of a fire that occurred in the County of Los Angeles, Orange, Riverside, San Bernardino, San Diego, or Ventura, during October or November of 1993, or any other related casualty.

(10) Any loss sustained as a result of the earthquake, aftershocks, or any other related casualty that occurred in the Counties of Los Angeles, Orange, and Ventura on or after January 17 in 1994.

(b) To the extent that losses under subdivision (a) exceed the net income of the year of loss or, if the election under Section 165(i) of the Internal Revenue Code is made, the net income of the year preceding the loss, then that "excess loss," at the election of the taxpayer, may be carried forward to each of the five income years following the income year the loss is claimed. However, if there is any "excess loss" remaining after the five-year period, then 50 percent of that "excess loss" may be carried forward to each of the next 10 income years.

(c) The entire amount of any "excess loss" as defined in subdivision (b) shall be carried to the earliest of the income years to which, by reason of subdivision (b), the loss may be carried. The portion of the loss which shall be carried to each of the other income years shall be the excess, if any, of the amount of "excess loss" over the sum of the net income for each of the prior income years to which that "excess loss" may be carried.

(d) This section and Section 165(i) of the Internal Revenue Code shall be applicable to any of the following losses sustained in any county or city in this state which was proclaimed by the Governor to be in a state of disaster:

(1) Any loss sustained during February 1986 as a result of storm, flooding, or any other related casualty.

(2) Any loss sustained during 1987 as a result of forest fire or any other related casualty.

(3) Any loss sustained during October 1987 as the result of earthquake, aftershock, or any other related casualty.

(4) Any loss resulting from the earthquake which occurred in October 1989, aftershock, or any other related casualty.

(5) Any loss sustained during 1990 as the result of fire in the County of Santa Barbara.

(6) Any loss sustained during April 1992 as a result of earthquake, aftershock, or any other related casualty in the County of Humboldt.

(7) Any loss sustained during April or May 1992 as a result of riots, arson, or any other related casualty.

(8) Any loss sustained as a result of a fire that occurred in the County of Los Angeles, Orange, Riverside, San Bernardino, San Diego, or Ventura, during October or November of 1993, or any other related casualty.

(9) Any loss sustained as a result of the earthquake, aftershocks, or any other related casualty that occurred in the Counties of Los Angeles, Orange, and Ventura on or after January 17 in 1994.

(e) Any corporation subject to the provisions of Section 25101 or 25101.15 that has disaster losses pursuant to this section, shall determine the "excess loss" to be carried to other income years under the principles specified in Section 25108 relating to net operating losses.

(f) Losses described in this section may not be taken into account in computing a net operating loss deduction under Section 24416 or 24416.1.

(g) For losses described in paragraphs (9) and (10) of subdivision (a) and paragraphs (8) and (9) of subdivision (d), the election under Section 165(i) of the Internal Revenue Code may be made on a return or amended return filed on or before the due date of the return (determined with regard to extension) for the income year in which the disaster occurred.

SEC. 8. The Legislature finds and declares that this act fulfills a statewide public purpose because of both of the following:

(a) The Governor of California has officially proclaimed that the fires that occurred in the Counties of Los Angeles, Orange, Riverside, San Bernardino, San Diego, and Ventura, during October or November of 1993, were disasters, thus qualifying persons affected for various forms of governmental assistance and relief.

(b) This act is consistent with and supplements the proclaimed disaster relief by providing necessary tax relief to affected taxpayers to allow them to repair damage to, and to restore, their homes and businesses.

SEC. 9. Sections 6.5 and 7.5 of this bill incorporate amendments to Sections 17207 and 24347.5 of the Revenue and Taxation Code proposed by both this bill and AB 2290. These sections shall only become operative if (1) both bills are enacted and become effective on or before January 1, 1995, (2) each bill amends Sections 17207 and 24347.5 of the Revenue and Taxation Code, and (3) this bill is enacted after AB 2290, in which case Sections 4 and 5 of this bill shall not

become operative.

SEC. 10. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to promptly provide vitally necessary relief and facilitate recovery from the heavy damage to lives and property inflicted by the fires that took place in California in October and November of 1993, and the earthquake and aftershocks that took place in California on or after January 17 in 1994 it is necessary that this act take effect immediately.

CHAPTER 34

An act to add Chapter 3.2 (commencing with Section 15378.5) to Part 6.7 of Division 3 of Title 2 of the Government Code, relating to economic development, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor March 30, 1994. Filed with
Secretary of State March 30, 1994.]

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

SECTION 1. Chapter 3.2 (commencing with Section 15378.5) is added to Part 6.7 of Division 3 of Title 2 of the Government Code, to read:

CHAPTER 3.2. DEFENSE INSTALLATION CONVERSION

15378.5. (a) The Legislature hereby finds and declares that obtaining federal, state, and local permits in the process of converting Department of Defense installations to nonmilitary uses may be more difficult at several locations.

(b) It is the intent of the Legislature that this chapter expand existing one-stop permit programs to assist applicants for development projects on converted military bases.

15378.6. As used in this chapter:

(a) "Local agency" means any city, county, or district.

(b) "Permit" means any license, certificate, registration, permit, or any other form of authorization required by a state agency or by a local agency to engage in a particular activity or action. "Permit" does not include a legislative action by a local agency and does not include any certification or decision made pursuant to Division 13 (commencing with Section 21000) of the Public Resources Code.

(c) "State agency" means any agency, department, board, commission, office, or bureau of the state government.

15378.7. The Secretary for Environmental Protection, in

coordination with appropriate federal, state, and local agencies that have entered into a memorandum of agreement pursuant to Section 15378.8, shall expand a one-stop permit process pursuant to this chapter for use by permit applicants for a development project at a Department of Defense installation converted to nonmilitary use at an existing one-stop permit process center if all of the following requirements are met:

(a) A center has been established by the Secretary for Environmental Protection.

(b) There is a Department of Defense installation converted to nonmilitary use in the same county where the center is located, or, in the determination of the Secretary for Environmental Protection, there is such an installation located near the center.

(c) The Secretary for Environmental Protection and the Secretary of the Trade and Commerce Agency have determined that the existing center is necessary for base reuse development projects.

15378.8. (a) For purposes of this chapter, the Secretary for Environmental Protection shall develop a memorandum of agreement for coordination of permits with all appropriate federal, state, and local agencies issuing permits that may be required for use of the converted installation.

(b) The Secretary for Environmental Protection shall seek to obtain approval of the memorandum of agreement by appropriate federal, state, and local agencies. Each appropriate state and local agency shall consider the memorandum of agreement prior to notifying the Secretary for Environmental Protection of its determination.

15378.9. Any costs incurred by a state or local agency in considering the proposed memorandum of agreement, entering into an agreement, or coordinating with the Secretary for Environmental Protection in establishing the one-stop permit process under this chapter shall be borne by the state or local agency. A local agency shall be authorized to charge a fee, in addition to any fees charged for permits, in order to defray the cost of complying with this chapter.

15378.10. Nothing in this chapter shall be construed to affect compliance with any requirement of federal, state, or local law, ordinance, or other requirement pertaining to the conversion of installations of the Department of Defense to nonmilitary uses.

SEC. 2. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the local agency or school district has the authority to levy service charges, fees, or assessments sufficient to pay for the program or level of service mandated by this act. Notwithstanding Section 17580 of the Government Code, unless otherwise specified in this act, the provisions of this act shall become operative on the same date that the act takes effect pursuant to the California Constitution.

SEC. 3. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within

the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to expedite the conversion of Department of Defense installations to nonmilitary uses and to thereby prevent unnecessary unemployment at the earliest possible time, it is necessary that this act take effect immediately.

CHAPTER 35

An act to amend Sections 18601, 24632, 24634, and 24636 of, and to repeal Section 24635 of, the Revenue and Taxation Code, relating to taxation.

[Approved by Governor April 7, 1994. Filed with
Secretary of State April 8, 1994.]

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

SECTION 1. Section 18601 of the Revenue and Taxation Code is amended to read:

18601. (a) Except as provided in subdivision (b) or (c), every taxpayer subject to the tax imposed by Part 11 (commencing with Section 23001) shall, within two months and 15 days after the close of its income year, transmit to the Franchise Tax Board a return in a form prescribed by it, specifying for the income year, all the facts as it may by rule, or otherwise, require in order to carry out this part. A tax return, disclosing net income for any income year, filed pursuant to Chapter 2 (commencing with Section 23101) or Chapter 3 (commencing with Section 23501) of Part 11 shall be deemed filed pursuant to the proper chapter of Part 11 for the same income period, if the chapter under which the return is filed is determined erroneous.

(b) In the case of cooperative associations described in Section 24404, returns shall be filed on or before the 15th day of the ninth month following the close of its income year.

(c) In the case of taxpayers required to file a return for a short period under Section 24634, the due date for the short period return shall be the same as the due date of the federal tax return that includes the net income of the taxpayer for that short period, or the due date specified in subdivision (a) if no federal return is required to be filed that would include the net income for that short period.

SEC. 2. Section 24632 of the Revenue and Taxation Code is amended to read:

24632. The income year of a taxpayer may not be different than the taxable year used for purposes of the Internal Revenue Code, unless initiated or approved by the Franchise Tax Board, or otherwise required under Section 24634.

SEC. 3. Section 24634 of the Revenue and Taxation Code is

amended to read:

24634. (a) A return for a period of less than 12 months (referred to in this article as "short period") shall be made under any of the following circumstances:

(1) When the taxpayer, with the approval of the Franchise Tax Board, changes its annual accounting period. In such a case, the return shall be made for the short period beginning on the day after the close of the former income year and ending at the close of the day before the day designated as the first day of the new income year.

(2) When the taxpayer is in existence during only part of what would otherwise be its income year, except if the taxpayer's existence terminates as a result of a reorganization described in Section 368(a) (1) (F) of the Internal Revenue Code.

(3) When the Franchise Tax Board terminates the taxpayer's income year under Sections 19081 and 19082 (relating to tax in jeopardy).

(4) When the taxpayer is required to make a federal return for a period of less than 12 months.

(b) This section shall apply whether or not a federal return is required to be filed for a period of less than 12 months.

(c) If a return is required to be filed under this section for a period of less than 12 months, that period shall be deemed to be an income year.

SEC. 4. Section 24635 of the Revenue and Taxation Code is repealed:

SEC. 5. Section 24636 of the Revenue and Taxation Code is amended to read:

24636. (a) If a separate return is made by a taxpayer subject to the tax imposed by Chapter 2, under Section 24634 on account of a change in the accounting period the net income, computed on the basis of the period for which the separate return is made, referred to in this section as "the short period," shall be placed on an annual basis by multiplying the amount thereof by 12, and dividing by the number of months in the short period. The Franchise Tax Board shall compute the amount of a tax on the income placed on such annual basis, and shall allow the offset provided for in Article 3 of Chapter 2, from such tax. The tax due under this section, which shall not be subject of offset, shall be such part of the tax, less the offset allowed, computed on such annual basis as the number of months in the short period is of 12 months.

(b) If a taxpayer subject to the tax imposed by Chapter 2 establishes the amount of its net income for the period of 12 months beginning with the first day of the short period, computed as if such 12-month period were an income year, under the law applicable to such year, then the tax for the short period shall be reduced to an amount which is such part of the tax computed on the net income for such 12-month period as the net income computed on the basis of the short period is of the net income for the 12-month period. The

taxpayer (other than a taxpayer to which the next sentence applies) shall compute the tax and file its return without the application of this section. If the taxpayer has disposed of substantially all its assets prior to the end of such 12-month period, then in lieu of the net income for such 12-month period there shall be used for the purposes of this section the net income for the 12-month period ending with the last day of the short period. The tax computed under this section shall in no case be less than the tax computed on the net income for the short period without placing such net income on an annual basis. The benefits of this section shall not be allowed unless the taxpayer, at such time as regulations prescribed hereunder require (but not after the time prescribed for the filing of the return for the first income year which ends on or after 12 months after the beginning of the short period), makes application therefor in accordance with such regulations. Such application, in case the return was filed without regard to this section, shall be considered a claim for credit or refund with respect to the amount by which the tax is reduced under this section. The Franchise Tax Board shall prescribe such regulations as it may deem necessary for the application of this section.

(c) In the case of a taxpayer required to file a short period return pursuant to Section 24634, the alternative minimum tax shall be determined in accordance with Section 443(d) of the Internal Revenue Code.

SEC. 6. Sections 1 to 4, inclusive, of this act shall apply to each income year beginning on or after January 1, 1995. Section 5 of this act shall apply to each income year beginning on or after January 1, 1991.

CHAPTER 36

An act to amend Section 89501 of, and to add Sections 53065.5 and 82048.5 to, the Government Code, relating to the Political Reform Act of 1974.

[Approved by Governor April 7, 1994. Filed with
Secretary of State April 8, 1994.]

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

SECTION 1. Section 53065.5 is added to the Government Code, to read:

53065.5. Notwithstanding Section 87207, each special district, as defined by Section 82048.5, shall, at least annually, disclose any reimbursement paid by the district within the immediately preceding fiscal year of at least one hundred dollars (\$100) for each individual charge for services or product received. "Individual charge" includes, but is not limited to, one meal, lodging for one day,

transportation, or a registration fee paid to any employee or member of the governing body of the district. The disclosure requirement shall be fulfilled by including the reimbursement information in a document published or printed at least annually by a date determined by that district and shall be made available for public inspection.

SEC. 2. Section 82048.5 is added to the Government Code, to read:

82048.5. "Special district" means any agency of the state established for the local performance of governmental or proprietary functions within limited boundaries. "Special district" includes a county service area, a maintenance district or area, an improvement district or zone, an air pollution control district, or a redevelopment agency. "Special district" shall not include a city, county, city and county, or school district.

SEC. 3. Section 89501 of the Government Code is amended to read:

89501. (a) No local elected officeholder, elected or appointed member of the governing board of a special district, or designated employee of a local government agency shall accept any honorarium, as defined in subdivisions (b), (c), and (e) of Section 89502.

(b) No local elected officeholder, elected or appointed member of the governing board of a special district, or designated employee of a local government agency shall accept any gifts, from any single source, which is in excess of two hundred fifty dollars (\$250), in any calendar year, except reimbursement for actual travel expenses and reasonable subsistence in connection therewith. The commission shall adjust this gift limitation to make it equal to the prevailing gift limitation amount applicable to elected state officers in effect on January 1, 1995, and thereafter shall adjust this gift limit at the same time and in the same amount as the gift limit applicable to elected state officers is adjusted pursuant to subdivision (d) of Section 89504.

SEC. 4. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution for those costs which may be incurred by a local agency or school district because this act creates a new crime or infraction, changes the definition of a crime or infraction, changes the penalty for a crime or infraction, or eliminates a crime or infraction.

However, notwithstanding Section 17610 of the Government Code, if the Commission on State Mandates determines that this act contains other 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. If the statewide cost of the claim for reimbursement does not exceed one million dollars (\$1,000,000), reimbursement shall be made from the State Mandates Claims Fund.

Notwithstanding Section 17580 of the Government Code, unless otherwise specified in this act, the provisions of this act shall become operative on the same date that the act takes effect pursuant to the

California Constitution.

SEC. 5. The Legislature finds and declares that the provisions of this act further the purposes of the Political Reform Act of 1974 within the meaning of subdivision (a) of Section 81012 of the Government Code.

CHAPTER 37

An act to amend the heading of Article 3 (commencing with Section 24100) of Chapter 1 of Division 20 of, and to add Section 24101.6 to, the Health and Safety Code, relating to public swimming pools.

[Approved by Governor April 7, 1994. Filed with
Secretary of State April 8, 1994.]

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

SECTION 1. The heading of Article 3 (commencing with Section 24100) of Chapter 1 of Division 20 of the Health and Safety Code is amended to read:

Article 3. Swimming Pool Sanitation and Safety

SEC. 2. Section 24101.6 is added to the Health and Safety Code, to read:

24101.6. (a) "Public swimming pool," as used in this section, means any public swimming pool defined in Section 24100 that is owned or operated by the state or any local governmental entity, including, but not limited to, any city, county, city and county, charter city, charter county, or charter city and county.

(b) All dry-niche light fixtures, and all underwater wet-niche light fixtures operating at more than 15 volts in public swimming pools shall be protected by a ground-fault circuit interrupter in the branch circuit, and all light fixtures in public swimming pools shall have encapsulated terminals. This subdivision is declaratory of existing law.

(c) Any public swimming pools that do not meet the requirements specified in subdivision (b) by January 1, 1995, shall be retrofitted to comply with these requirements by January 1, 1996.

(d) The ground-fault circuit interrupter required pursuant to this section shall comply with Underwriter's Laboratory standards.

(e) Any state or local governmental entity that owns or operates a public swimming pool shall have its public swimming pool inspected by a qualified inspector prior to July 1, 1996, to determine compliance with this section.

(f) A public swimming pool may charge a fee, or increase its fee charged, to the public for use of the pool, for the purpose of

recovering the administrative and other costs of retrofitting pools in compliance with this section. The charge or increase due to this section shall terminate when funds sufficient to cover these costs are collected.

(g) All electrical work required for compliance with this section shall be performed by an electrician licensed pursuant to Chapter 9 (commencing with Section 7000) of Division 3 of the Business and Professions Code.

SEC. 3. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution as a result of costs which may be incurred by a local agency or school district because this act creates a new crime or infraction, changes the definition of a crime or infraction, changes the penalty for a crime or infraction, or eliminates a crime or infraction.

Moreover, no reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution for certain costs because the local agency or school district has the authority to levy service charges, fees, or assessments sufficient to pay for the program or level of service mandated by this act related to those costs.

Further, notwithstanding Section 17610 of the Government Code, if the Commission on State Mandates determines that this act contains other 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. If the statewide cost of the claim for reimbursement does not exceed one million dollars (\$1,000,000), reimbursement shall be made from the State Mandates Claims Fund.

Also, notwithstanding Section 17580 of the Government Code, unless otherwise specified in this act, the provisions of this act shall become operative on the same date that the act takes effect pursuant to the California Constitution.

CHAPTER 38

An act to amend Section 313.1 of the Penal Code, relating to crimes.

[Approved by Governor April 19, 1994. Filed with
Secretary of State April 19, 1994.]

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

SECTION 1. Section 313.1 of the Penal Code is amended to read:
313.1. (a) Every person who, with knowledge that a person is a minor, or who fails to exercise reasonable care in ascertaining the true age of a minor, knowingly sells, rents, distributes, sends, causes to be sent, exhibits, or offers to distribute or exhibit by any means,

including, but not limited to, live or recorded telephone messages, any harmful matter to the minor shall be punished as specified in Section 313.4.

It does not constitute a violation of this section for a telephone corporation, as defined by Section 234 of the Public Utilities Code, to carry or transmit messages described in this chapter or to perform related activities in providing telephone services.

(b) Every person who misrepresents himself or herself to be the parent or guardian of a minor and thereby causes the minor to be admitted to an exhibition of any harmful matter shall be punished as specified in Section 313.4.

(c) (1) Any person who knowingly displays, sells, or offers to sell in any coin-operated or slug-operated vending machine or mechanically or electronically controlled vending machine that is located in a public place, other than a public place from which minors are excluded, any harmful matter displaying to the public view photographs or pictorial representations of the commission of any of the following acts shall be punished as specified in Section 313.4: sodomy, oral copulation, sexual intercourse, masturbation, bestiality, or a photograph of an exposed penis in an erect and turgid state.

(2) Any person who knowingly displays, sells, or offers to sell in any coin-operated vending machine that is not supervised by an adult and that is located in a public place, other than a public place from which minors are excluded, any harmful matter, as defined in subdivision (a) of Section 313, shall be punished as specified in Section 313.4.

(d) Nothing in this section invalidates or prohibits the adoption of an ordinance by a city, county, or city and county that restricts the display of material that is harmful to minors, as defined in this chapter, in a public place, other than a public place from which minors are excluded, by requiring the placement of devices commonly known as blinder racks in front of the material, so that the lower two-thirds of the material is not exposed to view.

(e) Any person who sells or rents video recordings of harmful matter shall create an area within his or her business establishment for the placement of video recordings of harmful matter and for any material that advertises the sale or rental of these video recordings. This area shall be labeled "adults only." The failure to create and label the area is an infraction, punishable by a fine not to exceed one hundred dollars (\$100). The failure to place a video recording or advertisement, regardless of its content, in this area shall not constitute an infraction. Any person who sells or distributes video recordings of harmful matter to others for resale purposes shall inform the purchaser of the requirements of this section. This subdivision shall not apply to public libraries as defined in Section 18710 of the Education Code.

(f) Any person who rents a video recording and alters the video recording by adding harmful material, and who then returns the

video recording to a video rental store, shall be guilty of a misdemeanor. It shall be a defense in any prosecution for a violation of this subdivision that the video rental store failed to post a sign, reasonably visible to all customers, delineating the provisions of this subdivision.

(g) It shall be a defense in any prosecution for a violation of subdivision (a) by a person who knowingly distributed any harmful matter by the use of telephones or telephone facilities to any person under the age of 18 years that the defendant has taken either of the following measures to restrict access to the harmful matter by persons under 18 years of age:

(1) Required the person receiving the harmful matter to use an authorized access or identification code, as provided by the information provider, before transmission of the harmful matter begins, where the defendant previously has issued the code by mailing it to the applicant after taking reasonable measures to ascertain that the applicant was 18 years of age or older and has established a procedure to immediately cancel the code of any person after receiving notice, in writing or by telephone, that the code has been lost, stolen, or used by persons under the age of 18 years or that the code is no longer desired.

(2) Required payment by credit card before transmission of the matter.

(h) It shall be a defense in any prosecution for a violation of paragraph (2) of subdivision (c) that the defendant has taken either of the following measures to restrict access to the harmful matter by persons under 18 years of age:

(1) Required the person receiving the harmful matter to use an authorized access or identification card to the vending machine after taking reasonable measures to ascertain that the applicant was 18 years of age or older and has established a procedure to immediately cancel the card of any person after receiving notice, in writing or by telephone, that the code has been lost, stolen, or used by persons under the age of 18 years or that the card is no longer desired.

(2) Required the person receiving the harmful matter to use a token in order to utilize the vending machine after taking reasonable measures to ascertain that the person was 18 years of age or older.

(i) Any list of applicants or recipients compiled or maintained by an information-access service provider for purposes of compliance with paragraph (1) of subdivision (g) is confidential and shall not be sold or otherwise disseminated except upon order of the court.

SEC. 2. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs which may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, changes the definition of a crime or infraction, changes the penalty for a crime or infraction, or eliminates a crime or infraction. Notwithstanding Section 17580 of the Government Code, unless otherwise specified in this act, the provisions of this act shall become

operative on the same date that the act takes effect pursuant to the California Constitution.

CHAPTER 39

An act to add and repeal Section 5782.27 of the Public Resources Code, relating to recreation and park districts, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor April 19, 1994. Filed with
Secretary of State April 19, 1994.]

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

SECTION 1. Section 5782.27 is added to the Public Resources Code, to read:

5782.27. (a) In addition to the powers which may be exercised pursuant to this chapter, the Camp Meeker Recreation and Park District may exercise the powers of a county water district as set forth in Article 1 (commencing with Section 31000) to Article 5 (commencing with Section 31080), inclusive, of Part 5 of Division 12 of the Water Code, Part 6 (commencing with Section 31300) of Division 12 of the Water Code, and Part 7 (commencing with Section 31650) of Division 12 of the Water Code.

(b) The powers granted to the Camp Meeker Recreation and Park District by this section may be exercised by the district only if the authority to exercise these powers is approved by the local agency formation commission.

(c) This section shall become inoperative on July 1, 1998, and, as of January 1, 1999, is repealed, unless a later enacted statute, which becomes effective on or before January 1, 1999, deletes or extends the dates on which it becomes inoperative and is repealed.

SEC. 2. The Legislature hereby finds and declares that a special law is necessary and that a general law cannot be made applicable within the meaning of Section 16 of Article IV of the California Constitution because of the unique circumstances posed by water problems in the area of the Camp Meeker Recreation and Park District. The county is expected to soon receive five million dollars (\$5,000,000) in loans for maintaining and improving water facilities in the area and the local agency formation commission needs additional time to complete proceedings for a change of organization or reorganization relating to another entity with the capacity to provide water service within the area of the Camp Meeker Recreation and Park District. The district is willing and able to provide that service until that time

SEC. 4. if authorized to do so. The provisions of Section 1 of this act are necessary, therefore, to authorize the Camp Meeker Recreation and Park District to provide urgently needed water

service within the district.

SEC. 3. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order for Sonoma County to receive five million dollars (\$5,000,000) in loans for maintaining and improving water facilities within Sonoma County, it is necessary that the Camp Meeker Recreation and Park District have immediate authority to exercise the powers of a water district.

CHAPTER 40

An act to amend Section 366.2 of the Code of Civil Procedure, and to amend Sections 19255, 21320, and 21351 of the Probate Code, relating to civil proceedings, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor April 19, 1994. Filed with
Secretary of State April 19, 1994.]

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

SECTION 1. Section 366.2 of the Code of Civil Procedure is amended to read:

366.2. (a) Except as provided in subdivisions (b) and (c):

(1) If a person against whom an action may be brought on a liability of the person, whether arising in contract, tort, or otherwise, dies before the expiration of the applicable limitations period, and the cause of action survives, an action may be commenced within one year after the date of death, and the limitations period that would have been applicable does not apply.

(2) The limitations period provided in this section for commencement of an action is not tolled or extended for any reason.

(b) This section is subject to:

(1) Part 4 (commencing with Section 9000) of Division 7 of the Probate Code (creditor claims in administration of estates of decedents).

(2) Part 8 (commencing with Section 19000) of Division 9 of the Probate Code (payment of claims, debts, and expenses from revocable trust of deceased settlor).

(3) Part 3 (commencing with Section 21300) of Division 11 of the Probate Code (no contest clauses).

(c) This section applies to actions brought on liabilities of persons dying on or after January 1, 1993.

SEC. 2. Section 19255 of the Probate Code is amended to read:

19255. (a) A rejected claim is barred as to the part rejected unless the claimant brings an action on the claim or the matter is

referred to a referee or to arbitration within the following times, excluding any time during which there is a vacancy in the office of the trustee:

(1) If the claim is due at the time of giving the notice of rejection, 90 days after the notice is given.

(2) If the claim is not due at the time of giving the notice of rejection, 90 days after the claim becomes due.

(b) In addition to any other county in which an action on a rejected claim may be commenced, the action may be commenced in the county or city and county wherein the principal place of administration of the trust is located.

(c) The claimant shall file a notice of the pendency of the action or the referral to a referee or to arbitration with the court clerk in the trust proceeding, together with proof of giving a copy of the notice to the trustee as provided in Section 1215. Personal service of a copy of the summons and complaint on the trustee is equivalent to the filing and giving of the notice.

(d) Any property distributed by the trustee under the terms of the trust after 120 days from the later of the time the notice of rejection is given or the claim is due and before the notice of pendency of action or referral or arbitration is filed and given, excluding therefrom any time during which there is a vacancy in the office of the trustee, is not subject to the claim. Neither the trustee nor the distributee is liable on account of the distribution.

(e) The prevailing party in the action shall be awarded court costs and, if the court determines that the prosecution or defense of the action against the prevailing party was unreasonable, the prevailing party shall be awarded reasonable litigation expenses, including attorney's fees. For the purpose of this subdivision, the prevailing party shall be the trustee if the creditor recovers an amount equal to or less than the amount of the claim allowed by the trustee, and shall be the creditor if the creditor recovers an amount greater than the amount of the claim allowed by the trustee.

SEC. 3. Section 21320 of the Probate Code is amended to read:

21320. (a) If an instrument containing a no contest clause is or has become irrevocable, a beneficiary may apply to the court for a determination whether a particular motion, petition, or other act by the beneficiary, including, but not limited to, creditor claims under Part 4 (commencing with Section 9000) of Division 7 and Part 8 (commencing with Section 19000) of Division 9, would be a contest within the terms of the no contest clause.

(b) A no contest clause is not enforceable against a beneficiary to the extent an application under subdivision (a) by the beneficiary is limited to the procedure and purpose described in subdivision (a) and does not require a determination of the merits of the motion, petition, or other act by the beneficiary.

(c) A determination of whether Section 21306 or 21307 would apply in a particular case may not be made under this section.

SEC. 4. Section 21351 of the Probate Code is amended to read:

501(c) (3) or 501(c) (19) of the Internal Revenue Code, or a trust holding an interest for this entity, but only to the extent of the interest of the entity, or the trustee of this trust. This subdivision shall retroactively apply to an instrument that becomes irrevocable, or is executed by a person who dies, on or after July 1, 1993.

SEC. 5. Sections 1, 2, and 3 of this act shall become operative January 1, 1995.

SEC. 6. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to eliminate confusion relating to the manner with which public and nonprofit entities may arrange for and receive charitable donations, it is necessary that this bill take effect immediately.

CHAPTER 41

An act to amend Section 472b of the Code of Civil Procedure, relating to civil procedure.

[Approved by Governor April 19, 1994. Filed with
Secretary of State April 19, 1994.]

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

SECTION 1. Section 472b of the Code of Civil Procedure is amended to read:

472b. When a demurrer to any pleading is sustained or overruled, and time to amend or answer is given, the time so given runs from the service of notice of the decision or order, unless the notice is waived in open court, and the waiver entered in the minutes or docket. When an order sustaining a demurrer without leave to amend is reversed or otherwise remanded by any order issued by a reviewing court, any amended complaint shall be filed within 30 days after the clerk of the reviewing court mails notice of the issuance of the remittitur.

CHAPTER 42

An act to add Section 1267.5 to the Unemployment Insurance Code, relating to unemployment insurance.

[Approved by Governor April 19, 1994. Filed with
Secretary of State April 19, 1994.]

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

SECTION 1. Section 1267.5 is added to the Unemployment Insurance Code, to read:

1267.5. On or before June 1, 1995, the department shall prepare and submit to the Legislature a study, at a cost not to exceed twenty-five thousand dollars (\$25,000) from existing funds, on methods for providing incentives to encourage recipients of unemployment insurance benefits to seek education and retraining during hours they are not actively seeking employment.

CHAPTER 43

An act to amend Sections 832, 13551, and 13552 of, and to add Sections 13511.3 and 13519.9 to, the Penal Code, relating to peace officers.

[Approved by Governor April 19, 1994. Filed with
Secretary of State April 19, 1994.]

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

SECTION 1. Section 832 of the Penal Code is amended to read:

832. (a) Every person described in this chapter as a peace officer shall satisfactorily complete an introductory course of training prescribed by the Commission on Peace Officer Standards and Training. On or after July 1, 1989, satisfactory completion of the course shall be demonstrated by passage of an appropriate examination developed or approved by the commission. Training in the carrying and use of firearms shall not be required of any peace officer whose employing agency prohibits the use of firearms.

(b) (1) Every peace officer described in this chapter, prior to the exercise of the powers of a peace officer, shall have satisfactorily completed the course of training described in subdivision (a).

(2) Every peace officer described in Section 13510 or in subdivision (a) of Section 830.2 may satisfactorily complete the training required by this section as part of the training prescribed pursuant to Section 13510.

(c) Persons described in this chapter as peace officers who have not satisfactorily completed the course described in subdivision (a),

as specified in subdivision (b), shall not have the powers of a peace officer until they satisfactorily complete the course.

(d) Any peace officer who, on March 4, 1972, possesses or is qualified to possess the basic certificate as awarded by the Commission on Peace Officer Standards and Training shall be exempted from this section.

(e) (1) Any person completing the training described in subdivision (a) who does not become employed as a peace officer within three years from the date of passing the examination described in subdivision (a), or who has a three-year or longer break in service as a peace officer, shall pass the examination described in subdivision (a) prior to the exercise of the powers of a peace officer, except for any person described in paragraph (2).

(2) The requirement in paragraph (1) does not apply to any person who meets any of the following requirements:

(A) Is returning to a management position that is at the second level of supervision or higher.

(B) Has successfully requalified for a basic course through the Commission on Peace Officer Standards and Training.

(C) Has maintained proficiency through teaching the course described in subdivision (a).

(D) During the break in California service, was continuously employed as a peace officer in another state or at the federal level.

(f) The commission may charge appropriate fees for the examination required by subdivision (e), not to exceed actual costs.

(g) Notwithstanding any other provision of law, the commission may charge appropriate fees for the examination required by subdivision (a) to each applicant who is not sponsored by a local or other law enforcement agency, or is not a peace officer employed by, or under consideration for employment by, a state or local agency, department, or district, or is not a custodial officer as defined in Sections 831 and 831.5. The fees shall not exceed actual costs.

SEC. 2. Section 13511.3 is added to the Penal Code, to read:

13511.3. The commission may evaluate and approve pertinent training previously completed by any jurisdiction's law enforcement officers as meeting current training requirements prescribed by the commission pursuant to this chapter. The evaluations performed by the commission shall conform to the standards established under this chapter.

SEC. 3. Section 13519.9 is added to the Penal Code, to read:

13519.9. (a) On or before January 1, 1995, the commission shall establish the Robert Presley Institute of Criminal Investigation which will make available to criminal investigators of California's law enforcement agencies an advanced training program to meet the needs of working investigators in specialty assignments, such as arson, auto theft, homicide, and narcotics.

(b) The institute shall provide an array of investigation training, including the following:

(1) Core instruction in matters common to all investigative

activities.

(2) Advanced instruction through foundation specialty courses in the various investigative specialties.

(3) Completion of a variety of elective courses pertaining to investigation.

(c) (1) Instruction in core foundation and specialty courses shall be designed not only to impart new knowledge, but to evoke from students the benefit of their experience and ideas in a creative and productive instructional design environment.

(2) Instructors shall be skilled and knowledgeable both in subject matter and in the use of highly effective instructional strategies.

(d) (1) The commission shall design and operate the institute to constantly improve the effectiveness of instruction.

(2) The institute shall make use of the most modern instructional design and equipment, including computer-assisted instruction, scenarios, and case studies.

(3) The institute shall ensure that proper facilities, such as crime scene training areas, are available for use by students.

SEC. 4. Section 13551 of the Penal Code is amended to read:

13551. (a) The Commission on Peace Officer Standards and Training shall develop regulations and professional standards on or before July 1, 1996, for the law enforcement accreditation program. The program shall provide standards for the operation of law enforcement agencies and the program shall be available on or before July 1, 1996. The standards shall serve as a basis for the uniform operation of law enforcement agencies throughout the state to best serve the interests of the people of this state.

(b) The commission may, from time to time, amend the regulations and standards or adopt new standards relating to the accreditation program.

SEC. 5. Section 13552 of the Penal Code is amended to read:

13552. (a) Participation in this accreditation program is limited to police departments, sheriffs' departments, and the California Highway Patrol. Other law enforcement agencies shall be eligible for accreditation after January 1, 1998.

(b) Participation shall be voluntary and shall be initiated upon the application of the chief executive officer of each agency.

CHAPTER 44

An act to add Section 5025.1 to the Business and Professions Code, relating to accountants, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor April 19, 1994. Filed with
Secretary of State April 19, 1994.]

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

SECTION 1. Section 5025.1 is added to the Business and Professions Code, to read:

5025.1. (a) The board may contract with and employ certified public accountants and public accountants as consultants and experts to assist in the investigation and prosecution of judicial and administrative matters.

(b) Contracts made pursuant to this section are not subject to Article 4 (commencing with Section 19130) of Chapter 5 of Part 2 of Division 5 of Title 2 of the Government Code, except that the board shall apply the standards set forth in Section 19130 in awarding personal service contracts under this section.

(c) Notwithstanding any other provision of law, the board may contract with these consultants and experts on a sole source basis.

(d) If a person, not a regular employee of the board, is hired or under contract to provide expertise to the board in the evaluation of the conduct of a licensee, and that person is named as a defendant in a civil action for defamation, tortious interference with prospective business advantage, or other civil causes of action directly resulting from opinions rendered, statements made, or testimony given to the board, its committees, staff, legal counsel, or other representatives, or in any proceeding instituted by the board or to which the board is a party, the board shall provide for representation required to defend that person in that civil action and shall indemnify that person for any judgment rendered against him or her. This right of defense and indemnification shall be the same as, and no greater than, the right provided to a public employee pursuant to Section 825 of the Government Code. Nothing herein shall be construed as expanding or limiting any immunity from liability otherwise provided by law.

(e) On or before June 1 of each year, the board shall report to the appropriate policy and fiscal committees of each house of the Legislature the terms of the contract or contracts entered into each fiscal year pursuant to this section. The report shall include the cost, services, terms and duration provided under each contract, the identity of the firms or individuals awarded any contract, and data demonstrating the cost effectiveness of the board's sole-source contracting in the investigation and prosecution of the board's enforcement programs.

SEC. 2. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

It is necessary for the Board of Accountancy to contract with and employ certified public accountants and public accountants as consultants and experts to assist in the investigation and prosecution of disciplinary matters involving, among other things, audit failures that have contributed to large consumer losses. To prevent disruption in the continuity of ongoing investigations and to avoid delays in the initiation of new investigations, it is necessary that this act take effect immediately.

CHAPTER 45

An act to amend Sections 1105 and 1106 of, and to add Sections 13308 and 13328 to, the Water Code, relating to water, and making an appropriation therefor.

[Approved by Governor April 19, 1994. Filed with
Secretary of State April 19, 1994.]

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

SECTION 1. Section 1105 of the Water Code is amended to read:

1105. (a) Except as provided in subdivision (c), no person shall be excused from testifying or from producing any evidence in any investigation or inquiry by or hearing before the board upon the ground that the testimony or evidence required of him or her may tend to incriminate him or her or subject him or her to any penalty.

(b) The board may grant immunity to any person who is compelled to testify or to produce documentary evidence before the board and who invokes the privilege against self-incrimination.

(c) If the board does not grant immunity after a person invokes the privilege against self-incrimination, the board shall excuse the person from giving any testimony or producing any evidence to which the privilege against self-incrimination applies, and the board shall dismiss, continue, or limit the scope of the proceedings as necessary to ensure that the unavailability of the testimony or evidence does not deny due process of law to any party.

SEC. 2. Section 1106 of the Water Code is amended to read:

1106. No person who is granted immunity under subdivision (b) of Section 1105 shall be criminally prosecuted or be subjected to any criminal penalty for or on account of any act, transaction, matter, or thing material to the matter under investigation by the board concerning which he or she has been compelled as a witness to testify or to produce documentary evidence pursuant to the granting of immunity; but no person so testifying or producing shall be exempt

from prosecution and punishment for any perjury committed by him or her in that testimony.

SEC. 3. Section 13308 is added to the Water Code, to read:

13308. (a) If the regional board determines there is a threatened or continuing violation of any cleanup or abatement order, cease and desist order, or any order issued under Section 13267 or 13383, the regional board may issue an order establishing a time schedule and prescribing a civil penalty which shall become due if compliance is not achieved in accordance with that time schedule.

(b) The amount of the civil penalty shall be based upon the amount reasonably necessary to achieve compliance, and may not include any amount intended to punish or redress previous violations. The amount of the penalty may not exceed ten thousand dollars (\$10,000) for each day in which the violation occurs.

(c) Any person who fails to achieve compliance in accordance with the schedule established in an order issued pursuant to subdivision (a) shall be liable civilly in an amount not to exceed the amount prescribed by the order. The regional board may impose the penalty administratively in accordance with Article 2.5 (commencing with Section 13323). If the regional board imposes the penalty in an amount less than the amount prescribed in the order issued pursuant to subdivision (a), the regional board shall make express findings setting forth the reasons for its action based on the specific factors required to be considered pursuant to Section 13327.

(d) The state board may exercise the powers of a regional board under this section if the violation or threatened violation involves requirements prescribed by an order issued by the state board.

(e) Funds collected pursuant to this section shall be deposited in the State Water Pollution Cleanup and Abatement Account.

(f) Civil liability may be imposed pursuant to this section only if civil liability is not imposed pursuant to Section 13261, 13265, 13268, 13350, or 13385.

SEC. 4. Section 13328 is added to the Water Code, to read:

13328. After the time for judicial review under Section 13325 has expired, the state board may apply to the clerk of the appropriate court in the county in which the civil penalty was imposed, for a judgment to collect the penalty. The application, which shall include a certified copy of the state board or regional board action, constitutes a sufficient showing to warrant issuance of the judgment. The court clerk shall enter the judgment immediately in conformity with the application. The judgment so entered has the same force and effect as, and is subject to all the provisions of law relating to, a judgment in a civil action, and may be enforced in the same manner as any other judgment of the court in which it is entered.

SEC. 5. Notwithstanding Section 17610 of the Government Code, 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. If the statewide cost of the claim for reimbursement does not exceed one million dollars (\$1,000,000), reimbursement shall be made from the State Mandates Claims Fund. Notwithstanding Section 17580 of the Government Code, unless otherwise specified in this act, the provisions of this act shall become operative on the same date that the act takes effect pursuant to the California Constitution.

CHAPTER 46

An act to amend Section 7514 of the Government Code, relating to public retirement systems.

[Approved by Governor April 19, 1994. Filed with
Secretary of State April 19, 1994.]

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

SECTION 1. Section 7514 of the Government Code is amended to read:

7514. (a) Notwithstanding any other provision of law except Chapter 7 (commencing with Section 16649.80) of Part 2 of Division 4 of Title 2, any state or local public retirement system may invest, subject to and consistent with the standard for prudent investment set forth in Section 17 of Article XVI of the California Constitution, its assets in the bonds or other evidences of indebtedness unconditionally guaranteed by any foreign government that has met the payments of similar bonds or other evidences of indebtedness when due.

(b) A portion of the assets invested pursuant to this section may be used to purchase rated or unrated bonds, notes, or other instruments unconditionally guaranteed by Canada, Israel, Mexico, or South Africa.

CHAPTER 47

An act to amend Section 186.22 of the Penal Code, relating to crimes, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor April 19, 1994. Filed with
Secretary of State April 19, 1994.]

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

SECTION 1. Section 186.22 of the Penal Code is amended to read:

186.22. (a) Any person who actively participates in any criminal street gang with knowledge that its members engage in or have engaged in a pattern of criminal gang activity, and who willfully promotes, furthers, or assists in any felonious criminal conduct by members of that gang, shall be punished by imprisonment in a county jail for a period not to exceed one year, or by imprisonment in the state prison for 16 months, or 2 or 3 years.

(b) (1) Except as provided in paragraph (2), any person who is convicted of a felony committed for the benefit of, at the direction of, or in association with any criminal street gang, with the specific intent to promote, further, or assist in any criminal conduct by gang members, shall, upon conviction of that felony, in addition and consecutive to the punishment prescribed for the felony or attempted felony of which he or she has been convicted, be punished by an additional term of one, two, or three years at the court's discretion. However, if the underlying felony is committed on the grounds of, or within 1,000 feet of, a public or private elementary, vocational, junior high, or high school, during hours in which the facility is open for classes or school related programs or when minors are using the facility, the additional term shall be two, three, or four years, at the court's discretion. The court shall order the imposition of the middle term of the sentence enhancement, unless there are circumstances in aggravation or mitigation. The court shall state the reasons for its choice of sentence enhancements on the record at the time of the sentencing.

(2) Any person who violates this subdivision in the commission of a felony punishable by imprisonment in the state prison for life, shall not be paroled until a minimum of 15 calendar years have been served.

(c) If the court grants probation or suspends the execution of sentence imposed upon the defendant for a violation of subdivision (a), or in cases involving a true finding of the enhancement enumerated in subdivision (b), the court shall require that the defendant serve a minimum of 180 days in a county jail as a condition thereof.

(d) Notwithstanding any other law, the court may strike the additional punishment for the enhancements provided in this section or refuse to impose the minimum jail sentence for misdemeanors in an unusual case where the interests of justice would best be served, if the court specifies on the record and enters into the minutes the circumstances indicating that the interests of justice would best be served by that disposition.

(e) As used in this chapter, "pattern of criminal gang activity" means the commission, attempted commission, or solicitation of two or more of the following offenses, provided at least one of those offenses occurred after the effective date of this chapter and the last of those offenses occurred within three years after a prior offense, and the offenses are committed on separate occasions, or by two or more persons:

(1) Assault with a deadly weapon or by means of force likely to produce great bodily injury, as defined in Section 245.

(2) Robbery, as defined in Chapter 4 (commencing with Section 211) of Title 8 of Part 1.

(3) Unlawful homicide or manslaughter, as defined in Chapter 1 (commencing with Section 187) of Title 8 of Part 1.

(4) The sale, possession for sale, transportation, manufacture, offer for sale, or offer to manufacture controlled substances as defined in Sections 11054, 11055, 11056, 11057, and 11058 of the Health and Safety Code.

(5) Shooting at an inhabited dwelling or occupied motor vehicle, as defined in Section 246.

(6) Discharging or permitting the discharge of a firearm from a motor vehicle, as defined in subdivisions (a) and (b) of Section 12034.

(7) Arson, as defined in Chapter 1 (commencing with Section 450) of Title 13.

(8) The intimidation of witnesses and victims, as defined in Section 136.1.

(9) Grand theft, as defined in Section 487, when the value of the money, labor, or real or personal property taken exceeds ten thousand dollars (\$10,000).

(10) Grand theft of any vehicle, trailer, or vessel, as described in Section 487h.

(11) Burglary, as defined in Section 459.

(12) Rape, as defined in Section 261.

(13) Looting, as defined in Section 463.

(14) Moneylaundering, as defined in Section 186.10.

(15) Kidnapping, as defined in Section 207.

(16) Mayhem, as defined in Section 203.

(17) Aggravated mayhem, as defined in Section 205.

(18) Torture, as defined in Section 206.

(19) Felony extortion, as defined in Sections 518 and 520.

(20) Felony vandalism, as defined in paragraph (1) of subdivision (b) of Section 594.

(21) Carjacking, as defined in Section 215.

(f) As used in this chapter, "criminal street gang" means any ongoing organization, association, or group of three or more persons, whether formal or informal, having as one of its primary activities the commission of one or more of the criminal acts enumerated in paragraphs (1) to (21), inclusive, of subdivision (e), having a common name or common identifying sign or symbol, and whose members individually or collectively engage in or have engaged in a pattern of criminal gang activity.

(g) This section shall remain in effect only until January 1, 1997, and on that date is repealed.

SEC. 2. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs which may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction,

changes the definition of a crime or infraction, changes the penalty for a crime or infraction, or eliminates a crime or infraction. Notwithstanding Section 17580 of the Government Code, unless otherwise specified in this act, the provisions of this act shall become operative on the same date that the act takes effect pursuant to the California Constitution.

SEC. 3. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to give effect to changes made to Section 186.22 of the Penal Code by bills enacted by the Legislature during the 1993-94 Regular Session that did not become effective, it is necessary that this act take effect immediately.

CHAPTER 48

An act to amend Sections 17052.11, 17052.14, 17052.18, 17053, 17053.1, 19604, 19605, 23603, 23605, 23612.5, and 23617.5 of the Revenue and Taxation Code, relating to taxation, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor April 19, 1994. Filed with
Secretary of State April 19, 1994.]

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

SECTION 1. Section 17052.11 of the Revenue and Taxation Code, as amended by Section 2.5 of Chapter 875 of the Statutes of 1993, is amended to read:

17052.11. (a) For each taxable year beginning on or after January 1, 1991, and before January 1, 1996, there shall be allowed as a credit against the amount of "net tax" (as defined in Section 17039) an amount equal to 55 percent of the qualified costs paid or incurred by the taxpayer for low-emission motor vehicles or low-emission conversion devices. The credit allowed by this section shall be claimed for the taxable year in which the low-emission conversion device is installed or, in the case of a new low-emission motor vehicle, for the taxable year in which the low-emission motor vehicle is placed in service, and shall not exceed one thousand dollars (\$1,000) per automobile, motorcycle, or two person passenger vehicle, or three thousand five hundred dollars (\$3,500) for a vehicle whose weight is in excess of 5,750 pounds.

(b) For purposes of this section:

(1) "Device" means any apparatus not otherwise required by federal or California law that is designed and installed to convert a new or used motor vehicle to a low-emission motor vehicle as certified by the state board.

(2) "Differential cost" means the difference in retail cost between a low-emission motor vehicle and a comparable motor vehicle that is not a low-emission motor vehicle. This amount shall be determined by the State Energy Resources Conservation and Development Commission (hereafter referred to as the California Energy Commission), based on information supplied by the taxpayer and subject to the guidelines adopted under subdivision (e).

(3) "Low-emission motor vehicle" means a vehicle as defined under Section 39037.05 of the Health and Safety Code.

(4) "Qualified costs" means each of the following:

(A) The total cost (including installation charges but excluding interest charges) of a device designed and installed to convert a qualified motor vehicle to a low-emission motor vehicle.

(B) The differential cost of a new qualified motor vehicle that is equipped from the factory to operate as a low-emission motor vehicle and is certified by the state board to be a low-emission motor vehicle.

(C) Fifteen percent of the purchase price of a nonrecreational motor vehicle that is a low-emission motor vehicle intended to be used on private roads, private school campuses, or commercial or industrial worksites in this state.

(5) "Qualified motor vehicle" means a motor vehicle, as defined by Section 415 of the Vehicle Code, that is either of the following:

(A) A motor vehicle that is intended to be used on public roads and highways and is registered in this state.

(B) A nonrecreational motor vehicle that is intended to be used on private roads, private school campuses, or commercial or industrial worksites in this state.

(6) "State board" refers to the Air Resources Board.

(c) The taxpayer or partnership shall qualify for the credit after application to and certification by the California Energy Commission that all of the following conditions are met:

(1) The device or vehicle qualifies for the credit under this section.

(2) Credit allocation is available.

(d) The taxpayer or partnership shall do all of the following:

(1) (A) Apply to the California Energy Commission for credit allocation and certification.

(B) The application for credit allocation shall include all information that is required by the California Energy Commission, including, but not limited to, all of the following:

(i) A plan to purchase a device, as defined in subdivision (b), or a vehicle.

(ii) The cost estimates of the device or vehicle.

(2) Notify the California Energy Commission in a form and manner specified by the California Energy Commission that the device or vehicle has actually been purchased.

(3) Retain a copy of the certification issued by the California Energy Commission.

(4) Make the certification available to the Franchise Tax Board

upon demand.

(5) The partnership shall disclose in its tax return each year all of the following:

(A) The name of each partner who received a credit allocation.

(B) The partner's social security number or identification number.

(C) The amount of credit allocated to each partner.

(e) The California Energy Commission shall do all of the following:

(1) Establish criteria for allocation of the credit amounts in the case where more than seven hundred fifty thousand dollars (\$750,000) of credits are requested annually.

(2) Provide guidelines and criteria for application for credit allocation. These guidelines shall be exempt from Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code. However, these guidelines shall be adopted by the California Energy Commission at a noticed meeting and after one or more public workshops.

(3) Accept applications and issue certificates including the credit amount to which the taxpayer or partnership is entitled.

(4) Provide an annual listing to the Franchise Tax Board (preferably on magnetic tape or other machine-readable form, and in a form and manner agreed upon by the Franchise Tax Board and the California Energy Commission) of the qualified taxpayers or partnerships who were issued the certification and the allowable amount of the credit allocated to each taxpayer or partnership.

(f) The taxpayers' social security numbers or identification numbers obtained through the tax credit application and certification process shall be used exclusively for state tax administrative purposes.

(g) The "qualified costs" shall be reduced by an amount equal to any amount allowable, for purposes of computing federal income tax, as a credit under Section 30 of the Internal Revenue Code, relating to credit for qualified electric vehicles, for the same vehicle.

(h) In the case where the credit allowed by this section exceeds the "net tax," the excess may be carried over to reduce the "net tax" in the following year, and succeeding years if necessary, until the credit has been exhausted.

(i) The aggregate amount of tax credits granted pursuant to this section and Section 23603 shall not exceed seven hundred fifty thousand dollars (\$750,000) per year. The California Energy Commission shall not authorize any credit if the credit would cause the total amount of credit authorized in any year under the Personal Income Tax Law and the Bank and Corporation Tax Law to exceed seven hundred fifty thousand dollars (\$750,000).

(j) The amendments to this section made by the act adding this subdivision shall apply only to each taxable year beginning on or after January 1, 1993.

(k) This section shall remain in effect only until December 1,

1996, and as of that date is repealed.

SEC. 2. Section 17052.14 of the Revenue and Taxation Code is amended to read:

17052.14. (a) (1) For each taxable year beginning on or after January 1, 1989, and before January 1, 1994, there shall be allowed as a credit against the "net tax" (as defined in Section 17039), an amount equal to 40 percent of the cost of qualified property purchased and placed in service on or after January 1, 1989, and before January 1, 1994, and for which a certification has been obtained pursuant to subdivision (e). The amount of the allowable credit shall be claimed as provided in subdivision (c).

(2) Notwithstanding the total cost of the qualified property, the amount of cost that may be taken into account for purposes of claiming the credit allowed under this section and Section 23612.5 shall not exceed six hundred twenty-five thousand dollars (\$625,000) per facility during the five-year credit period.

(3) The basis of any qualified property for which a credit is allowed shall be reduced by the amount of the credit. The basis adjustment shall be made for the taxable year for which the credit is allowed.

(b) The credit shall be allowed by this section only if both of the following apply:

(1) The total adjusted basis of all qualified property owned on the last day of the taxable year exceeds the largest total adjusted basis of all qualified property owned at any one time during the base year.

(2) The total capacity of qualified property to use recycled materials on the last day of the taxable year exceeds the largest total capacity of qualified property at any one time during the base year. If a qualified property owned in the base year is replaced by qualified property of larger capacity, the eligible costs shall be proportional to the increase in capacity.

(c) The amount of the allowable credit shall be claimed as follows:

(1) Twenty percent of the cost, as limited by paragraph (2) of subdivision (a), shall be allowed for the taxable year the qualified property is placed in service.

(2) Fifteen percent of the cost, as limited by paragraph (2) of subdivision (a), shall be allowed for the taxable year immediately succeeding the taxable year the qualified property is placed in service.

(3) Five percent of the cost, as limited by paragraph (2) of subdivision (a), shall be allowed for the taxable year immediately succeeding the taxable year specified in paragraph (2).

(d) For purposes of this section, the following definitions shall apply:

(1) "Qualified property" means machinery or equipment located within California, that has not previously been certified, and is used by the taxpayer exclusively to manufacture finished products composed of at least 50 percent secondary waste material of which at least 10 percent is composed of postconsumer waste generated

from within California. "Qualified property" may include manufacturing equipment that utilizes 100 percent secondary waste, including at least 80 percent postconsumer waste that is contained within a finished product regardless of the finished product's percent postconsumer content. Equipment used in each step of a manufacturing process may be qualified property, even though the equipment is owned and used by different taxpayers. "Qualified property" includes, but is not limited to, deinking equipment utilized in the production of fine quality paper, equipment utilized in the production of compost, equipment utilized to reclaim plastic to be used either as a raw material or sold to a manufacturer for use in the manufacture or fabrication of finished products, equipment that processes used plastic milk bottles into flakes, equipment that processes resin pellets from the flakes, and equipment that manufactures toys from the pellets.

(2) "Postconsumer waste" is only those products generated within California by a business or consumer that have served their intended end uses and would normally be disposed of as solid waste, having completed their life cycle as a consumer item.

(3) "Secondary waste" means those products generated within California that, if not recovered, would otherwise be solid waste, and that are intended for sale, use, reuse, or recycling, including preconsumer and postconsumer waste, but excluding manufacturing waste.

(4) "Finished product" means a marketable product or component thereof that has an economic value to a consumer and is ready to be used without the requirement of further alteration of its form. "Compost," as defined in Section 40116 of the Public Resources Code, is a finished product if it meets all the criteria of the definition of "finished product."

(5) "Base year" is the taxable year immediately preceding the taxable year for which the credit allowed by this section is claimed.

(6) For purposes of this section "recycle" and "recycling" are defined in Section 40180 of the Public Resources Code.

(7) "Facility" means a single distribution terminal, plant, or refinery and any such property contiguous thereto.

(8) "Preconsumer waste" means those materials generated during any step in the production of a product, that have been removed from or otherwise diverted from the solid waste stream for the purpose of recycling, but does not include manufacturing waste, as defined.

(9) "Manufacturing waste" means those materials and byproducts generated from, and commonly reused within, a manufacturing process (for example, mill broke).

(e) The California Integrated Waste Management Board shall do all of the following:

(1) Certify that the qualified property is purchased and used by the taxpayer as specified in paragraph (2) of subdivision (b) and subdivision (d).

(2) Provide an annual listing to the Franchise Tax Board, (preferably on magnetic tape or other machine-readable form, and in a form and manner agreed upon by the Franchise Tax Board and the California Integrated Waste Management Board), of the qualified taxpayers who were issued the certification.

(3) Provide the taxpayer with a copy of the certification to retain for his or her records.

(4) Obtain the taxpayer's identification number, or in the case of a partnership, all of the partners' taxpayer identification numbers. For purposes of this paragraph, "taxpayer identification number" includes, but is not limited to, a social security number or a federal employer identification number. Any social security number obtained by the board pursuant to this paragraph shall be utilized for tax administration purposes only.

(f) The taxpayer shall do all of the following:

(1) Provide the California Integrated Waste Management Board with documents, as deemed necessary by the California Integrated Waste Management Board, verifying the purchase of the qualified property and that the machinery or equipment meets the recycling requirements specified in this section.

(2) Retain for his or her records a copy of the certificate issued by the California Integrated Waste Management Board specified in paragraph (1) of subdivision (e).

(3) Provide a copy of the certification specified in paragraph (1) of subdivision (e) to the Franchise Tax Board upon request. Where the taxpayer fails to comply with the requirement of this paragraph, no credit shall be allowed to that taxpayer under this section for the taxable year unless the taxpayer subsequently complies.

(4) Provide the California Integrated Waste Management Board with his or her taxpayer identification number, or in the case of a partnership, all of the partners' taxpayer identification numbers.

(g) In the case where the credit allowed by this section exceeds the "net tax," for any taxable year for which a credit is allowed by subdivision (c), the excess may be carried over to reduce the "net tax," in the following year, and succeeding years if necessary, until the credit is exhausted.

(h) If a taxpayer disposes of or no longer uses the qualified property as defined in subdivision (d), then any amount that would have been otherwise allowed as a credit for the taxable year of disposition or nonuse shall not be allowed.

(i) The California Integrated Waste Management Board shall, no later than March 1, 1994, submit a report to the Legislature evaluating the impact of the tax expenditure in this section. The report shall include information about the number of taxpayers claiming the credit, the total dollar amount of credit allocated, and the equipment for which the credit was used. The report shall also determine to what extent, if any, the tax expenditure authorized by this section increased recycling activities in California. The California Integrated Waste Management Board shall work

cooperatively with the Franchise Tax Board to determine the relevant tax return data necessary to complete the report and the time the data is required. The Franchise Tax Board shall be responsible for providing the data to the California Integrated Waste Management Board.

(j) This section shall remain in effect only until December 1, 1994, and as of that date is repealed, unless a later enacted statute, which is chaptered before December 1, 1994, deletes or extends that date. However, any unused credit may continue to be carried forward, as provided in subdivision (g), until the credit has been exhausted.

SEC. 3. Section 17052.18 of the Revenue and Taxation Code is amended to read:

17052.18. (a) For each taxable year beginning on or after January 1, 1988, and before January 1, 1995, there shall be allowed as a credit against the "net tax" (as defined by Section 17039) an amount equal to the amount determined in subdivision (b).

(b) (1) The amount of the credit allowed by this section shall be 50 percent of the cost paid or incurred by the taxpayer on or after September 23, 1988, for contributions to a qualified care plan made on behalf of any dependent of the taxpayer's California employee who is under the age of 15.

(2) The amount of the credit allowed by this section in any taxable year shall not exceed six hundred dollars (\$600) for contributions to a full-time qualified care plan or to a part-time qualified care plan made on behalf of the employee's dependents.

(c) For purposes of this section:

(1) "Qualified care plan" includes, but is not limited to, onsite service, center-based service, in-home care or home-provider care, and a dependent care center as defined by Section 21 (b) (2) (D) of the Internal Revenue Code that is a specialized center with respect to short-term illnesses of an employee's dependents, provided the facility is located in this state and is operated under the authority of a license when required by state law.

(2) "Specialized center" means a facility that provides care to mildly ill children and that may do all of the following:

(A) Be staffed by pediatric nurses and day care workers.

(B) Admit children suffering from common childhood ailments (including colds, flu, and chickenpox).

(C) Make special arrangements for well children with minor problems associated with diabetes, asthma, breaks or sprains, and recuperation from surgery.

(D) Separate children according to their illness and symptoms in order to protect them from cross-infection.

(3) "Full-time qualified care plan" means an average of eight or more hours of dependent care per day for at least 42 weeks per year in a qualified care plan.

(4) "Part-time qualified care plan" means an average of two to eight hours of dependent care per day for at least 42 weeks per year in a qualified care plan.

(5) "Contributions" include employer reimbursements to employees for the employee's qualified care plan expenses, or direct payments to child care programs or providers, or both.

(6) The term "employee" includes, for any year, an individual who is an employee within the meaning of Section 401(c)(1) of the Internal Revenue Code (relating to self-employed individuals).

(d) In the case where an employer makes contributions to a qualified care plan and also collects fees from parents to support a child care facility owned and operated by the employer, no credit shall be allowed under this section for contributions in the amount, if any, by which the sum of the contributions and fees exceed the total cost of providing care. The Franchise Tax Board may require information about fees collected from parents of children.

(e) In the case where the child care received is of less than 42-week duration, the employer shall claim a prorated portion of the allowable credit. The employer shall prorate the credit using the ratio of the number of weeks of care received divided by 42 weeks.

(f) In the case where the credit allowed by this section exceeds the "net tax," the excess may be carried over to reduce the "net tax" in the following year, and succeeding years if necessary until the credit has been exhausted.

(g) The credit shall not be available to an employer if the care provided on behalf of an employee is provided by an individual who:

(1) Qualifies as a dependent of that employee or that employee's spouse under paragraph (1) of subdivision (d) of Section 17054.

(2) Is (within the meaning of Section 17056) a son, stepson, daughter, or stepdaughter of that employee under the age of 19 at the close of that taxable year.

(h) The contributions to a qualified care plan shall not discriminate in favor of employees who are officers, owners, or highly compensated, or their dependents.

(i) No deduction shall be allowed as otherwise provided in this part for that portion of expenses paid or incurred for the taxable year that is equal to the amount of the credit allowed under this section.

(j) In the case where the credit is taken by an employer for contributions to a qualified care plan that is used at a facility owned by the employer, the basis of that facility shall be reduced by the amount of the credit. The basis adjustment shall be made for the taxable year for which the credit is allowed.

(k) This section shall remain in effect only until December 1, 1995, and as of that date is repealed. However, any unused credit may continue to be carried forward, as provided in subdivision (f), until the credit has been exhausted.

SEC. 4. Section 17053 of the Revenue and Taxation Code is amended to read:

17053. (a) For each taxable year beginning on or after January 1, 1989, and before January 1, 1996, there shall be allowed as a credit against the amount of "net tax" (as defined in Section 17039) an amount equal to the amount determined in subdivisions (b), (c), and

(f).

(b) The amount of the credit allowed by this subdivision shall be as follows:

(1) In the case of an employer with 200 or more employees, the credit shall be 20 percent of the cost paid or incurred by an employer for the purchase of a company shuttle bus, company commuter bus or van, or company motor pool vehicle that is provided as part of an employer-sponsored ridesharing incentive program for employees conducted principally in this state.

(2) In the case of an employer with less than 200 employees, the credit shall be 30 percent of the cost specified in paragraph (1).

(3) The credit provided in this subdivision shall be claimed in the state income tax return for the taxable year in which the ridesharing vehicle is purchased and placed in service.

(4) The basis of any ridesharing vehicle purchased for which a credit is allowed shall be reduced by the amount of the credit. The basis adjustment shall be made for the taxable year for which the credit is allowed.

(5) If a ridesharing vehicle purchased for which a credit is provided in this subdivision is disposed of, or is no longer used as part of an employer-sponsored ridesharing incentive program, within three years of its acquisition, that portion of the credit provided in this subdivision that represents the pro rata share of that remaining three-year period shall be added to the employer's tax liability in the taxable year of that disposition or nonuse. The basis of the vehicle shall be increased by an amount equal to that amount added to the employer's tax liability.

(c) The amount of the credit allowed by this subdivision shall be as follows:

(1) In the case of an employer with 200 or more employees, the credit shall be 20 percent of the cost paid or incurred by an employer for leasing or contracting a company shuttle bus, company commuter bus or van, or company motor pool vehicle that is provided as part of an employer-sponsored ridesharing incentive program for employees conducted principally in this state. This credit shall be based on the total payments to the lessor or vehicle provider during the life of the lease or contract. The lessor or vehicle provider of a vehicle specified in this subdivision shall not be eligible for this credit.

(2) In the case of an employer with less than 200 employees, the credit shall be 30 percent of the cost specified in paragraph (1).

(3) The credit provided in this subdivision shall be claimed in the state income tax return for the taxable year in which the ridesharing vehicle is first leased or contracted for and placed in service. However, with respect to a ridesharing vehicle first leased or contracted for prior to the 1989 taxable year, the credit provided in this subdivision shall be claimed in the state income tax return for the 1989 taxable year based on the total payments to the lessor or vehicle provider during the 1989 taxable year and the total payments to be

made during the remaining life of the lease or contract.

(4) If a ridesharing vehicle leased or contracted for which a credit is provided in this subdivision is disposed of, or is no longer used as part of an employer-sponsored ridesharing incentive program, prior to the expiration date of the lease or contract, that portion of the credit provided in this subdivision that represents the pro rata share of the remaining life of that lease or contract shall be added to the employer's tax liability in the taxable year of that disposition or nonuse.

(d) The credits allowed by subdivisions (b) and (c) shall not apply to the cost of purchasing, leasing, or contracting a company shuttle bus, company commuter bus or van, or company motor pool vehicle that would otherwise be required as part of the employer's business activities in the absence of an employer-sponsored ridesharing incentive program.

(e) The employer shall do all of the following with respect to the credits allowed in subdivisions (b) and (c):

(1) Keep a contemporaneous log of the vehicle's use in order that it can be determined that it meets the requirements specified in subdivision (h). The log information shall include, but not be limited to, dates and times the vehicle was driven, the mileage for each trip, and the purpose of the trip.

(2) Retain vehicle documents verifying the vehicle's weight requirements, if applicable, and fuel efficiency standards as specified in subdivision (h). These documents shall include, but not be limited to, the vehicle's owners manual and the vehicle's registration.

(3) Provide upon the request of the Franchise Tax Board the information specified in paragraphs (1) and (2).

(f) A credit shall be allowed by this subdivision for the cost paid or incurred by an employer for providing subsidized public transit passes to an employee as follows:

(1) Forty percent of the cost if the employer provides no free or subsidized parking.

(2) Twenty percent of the cost if the employer provides subsidized parking.

(3) Ten percent of the cost if the employer provides free parking.

(g) In the case where the credit allowed by this section exceeds the "net tax" the excess may be carried over to reduce the "net tax" in the following years and succeeding years if necessary, until the credit has been exhausted.

(h) For purposes of this section:

(1) "Employer" means a taxpayer for whom services are performed by an employee, except government agencies.

(2) "Employee" means an individual who performs service for an employer for more than 10 hours per week for remuneration.

(3) "Employer-sponsored ridesharing incentive program" means a program undertaken by an employer either alone or in cooperation with other employers to encourage or provide, or both, fiscal or other incentives to employees to make the home-to-work commute trip by

any mode other than the single-occupant motor vehicle.

(4) "Company shuttle bus" means a highway vehicle that meets all of the following criteria:

(A) Has a seating capacity of at least seven adults, including the driver.

(B) At least 80 percent of the mileage of which reasonably can be expected to be for any of the following purposes:

(i) Transporting employees on a scheduled-route basis.

(ii) Interfacing with public transportation facilities.

(iii) Transporting employees on a demand-response basis.

(C) Is acquired by the taxpayer on or after the date of the enactment of this section, except as provided in paragraph (3) of subdivision (c).

(D) With respect to which the taxpayer makes an election under this paragraph on his or her return for the taxable year in which the vehicle is placed in service.

(E) Is made available to all employees on a nondiscriminatory basis in the normal course of the taxpayer's business.

(5) "Company commuter bus or van" means a highway vehicle which meets all of the following criteria:

(A) Has a seating capacity of at least seven adults, including the driver.

(B) At least 50 percent of the mileage of which can be reasonably expected to be used for the purpose of transporting employees to and from work.

(C) Is acquired by the taxpayer on or after the date of enactment of this legislation, except as provided in paragraph (3) of subdivision (c).

(D) With respect to which the taxpayer makes an election under this paragraph on his or her return for the taxable year in which the vehicle is placed in service.

(E) Is made available to all employees on a nondiscriminatory basis in the normal course of the taxpayer's business.

(6) "Company motor pool vehicle" means a highway vehicle which meets all of the following criteria:

(A) Is an automobile with a gross vehicle weight of 6,000 pounds or less.

(B) Meets or exceeds certain fuel efficiency standards pursuant to the provisions of Title II of Public Law 95-618.

(C) Is made available to all employees on a nondiscriminatory basis during the course of the taxpayer's business, and at least 50 percent of its mileage during the taxable year can reasonably be expected to be used for the purpose of providing transportation to employees.

(D) Is acquired by the taxpayer on or after the date of the enactment of this section, except as provided in paragraph (3) of subdivision (c).

(E) With respect to which the taxpayer makes an election under this paragraph on his or her return for the taxable year in which the

vehicle is placed in service.

(7) "Subsidized parking" means any parking provided to employees at the worksite of the employee receiving the transit pass that is not charged at its fair market value, represented by the prevailing price charged for similar parking within a half-mile radius of the worksite, as certified by the employer.

(i) The credits provided in this section shall be in lieu of any deduction under this part to which the taxpayer otherwise may be entitled for costs to which the credit applies.

(j) This section shall remain in effect only until December 1, 1996, and as of that date is repealed. However, any unused credit may continue to be carried forward, as provided in subdivision (g), until the credit has been exhausted.

SEC. 5. Section 17053.1 of the Revenue and Taxation Code is amended to read:

17053.1. (a) For each taxable year beginning on or after January 1, 1989, and before January 1, 1996, there shall be allowed as a credit against the amount of "net tax" (as defined in Section 17039) an amount equal to the amount determined in subdivision (b).

(b) An employee in a non-employer-sponsored vanpool program shall be allowed a credit in an amount equal to 40 percent of all vanpool subscription costs paid or incurred in this state, for which receipts are available. In the case of a husband and wife, each shall be allowed a credit equal to 40 percent of their individual vanpool subscription costs paid or incurred in this state. The credit allowed by this subdivision shall not exceed four hundred eighty dollars (\$480), applied separately to a husband and wife.

(c) For purposes of this section:

(1) "Employer" means any individual for whom or entity for which services are performed by employees.

(2) "Employee" means an individual who performs services for an employer for at least 10 hours per week for remuneration, and who vanpools to and from work at least three days a week or 15 days per month for at least six months of the year.

(3) "Non-employer-sponsored vanpool program" means a program under which vehicles and related equipment and services are made available for use by employers and employees for purposes of commuting to and from work and that is administered and operated by an individual or organization, including a governmental agency, for the commuting purposes of other employers and employees who are not employees of that individual or organization.

(4) "Vanpool" means a vehicle with a seating arrangement designed to carry 7 to 15 adults, including the driver, and in which an average of seven or more persons commute on a daily basis to and from work.

(5) "Vanpool subscription costs" includes, but is not limited to, vehicle lease payments, repairs, maintenance, fuel, and insurance.

(6) An employee, within the meaning of paragraph (2), whose employer is not subject to tax under this part or under Chapter 2

(commencing with Section 23101) or Chapter 3 (commencing with Section 23501) of Part 11 shall be deemed to be an employee in a non-employer-sponsored vanpool program.

(d) In the case where the credit allowed by this section exceeds the "net tax," the excess may be carried over to reduce the "net tax" in the following year, and succeeding years if necessary, until the credit has been used.

(e) This section shall remain in effect only until December 1, 1996, and as of that date is repealed.

SEC. 6. Section 19604 of the Revenue and Taxation Code is amended to read:

19604. (a) Except for fees received for services under Section 23305e, all moneys and remittances received by the Franchise Tax Board as tax imposed under Part 11 (commencing with Section 23001), and related penalties, additions to tax, and interest imposed under this part, shall be deposited in a special fund in the State Treasury, to be designated the Bank and Corporation Tax Fund. The moneys in the fund shall, upon the order of the Controller, be drawn therefrom for the purpose of making refunds under this part or be transferred into the General Fund. All undelivered refund warrants shall be redeposited into the Bank and Corporation Tax Fund upon receipt by the Controller. Fees received for services under Section 23305e shall be treated as reimbursement of the Franchise Tax Board's costs and shall be deposited into the General Fund.

(b) Notwithstanding Section 13340 of the Government Code, all moneys in the Bank and Corporation Tax Fund are hereby continuously appropriated, without regard to fiscal year, to the Franchise Tax Board for purposes of making all payments as provided in this section.

SEC. 7. Section 19605 of the Revenue and Taxation Code is amended to read:

19605. All moneys and remittances received by the Franchise Tax Board as fees imposed under Section 19531 or 19561 shall be treated as reimbursement of the Franchise Tax Board's costs and shall be deposited into the General Fund.

SEC. 8. Section 23603 of the Revenue and Taxation Code, as amended by Section 3.5 of Chapter 875 of the Statutes of 1993, is amended to read:

23603. (a) For each income year beginning on or after January 1, 1991, and before January 1, 1996, there shall be allowed as a credit against the "tax" (as defined by Section 23036) an amount equal to 55 percent of the qualified cost paid or incurred by the taxpayer for low-emission motor vehicles or low-emission conversion devices. The credit allowed by this section shall be claimed for the income year in which the low-emission conversion device is installed or, in the case of a new low-emission motor vehicle, for the income year in which the low-emission motor vehicle is placed in service, and shall not exceed one thousand dollars (\$1,000) per automobile, motorcycle, or two-person passenger vehicle, or three thousand five

hundred dollars (\$3,500) for a vehicle whose weight is in excess of 5,750 pounds.

(b) For purposes of this section:

(1) "Device" means any apparatus not otherwise required by federal or California law that is designed and installed to convert a new or used motor vehicle to a low-emission motor vehicle as certified by the state board.

(2) "Differential cost" means the difference in retail cost between a low-emission motor vehicle and a comparable motor vehicle that is not a low-emission motor vehicle. This amount shall be determined by the State Energy Resources Conservation and Development Commission (hereafter referred to as the California Energy Commission), based on information supplied by the taxpayer and subject to the guidelines adopted under subdivision (e).

(3) "Low-emission motor vehicle" means a vehicle as defined under Section 39037.05 of the Health and Safety Code.

(4) "Qualified costs" means each of the following:

(A) The total cost (including installation charges but excluding interest charges) of a device designed and installed to convert a qualified motor vehicle to a low-emission motor vehicle.

(B) The differential cost of a new qualified motor vehicle that is equipped from the factory to operate as a low-emission motor vehicle and is certified by the state board to be a low-emission motor vehicle.

(C) Fifteen percent of the purchase price of a nonrecreational motor vehicle that is a low-emission motor vehicle intended to be used on private roads, private school campuses, or commercial or industrial worksites in this state.

(5) "Qualified motor vehicle" means a motor vehicle, as defined by Section 415 of the Vehicle Code, that is either of the following:

(A) A motor vehicle that is intended to be used on public roads and highways and is registered in this state.

(B) A nonrecreational motor vehicle that is intended to be used on private roads, private school campuses, or commercial or industrial worksites in this state.

(6) "State board" refers to the Air Resources Board.

(c) The taxpayer shall qualify for the credit after application to and certification by the California Energy Commission that all of the following conditions are met:

(1) The device or vehicle qualifies for the credit under this section.

(2) Credit allocation is available.

(d) The taxpayer shall do all of the following:

(1) (A) Apply to the California Energy Commission for credit allocation and certification.

(B) The application for credit allocation shall include all information that is required by the California Energy Commission, including, but not limited to, all of the following:

(i) A plan to purchase a device, as defined in subdivision (b), or a vehicle.

- (ii) The cost estimates of the device or vehicle.
- (2) Notify the California Energy Commission in a form and manner specified by the California Energy Commission that the device or vehicle has actually been purchased.
- (3) Retain a copy of the certification issued by the California Energy Commission.
- (4) Make the certification available to the Franchise Tax Board upon demand.
- (5) The S corporation shall disclose in its tax return each year all of the following:
 - (A) The name of each shareholder who received a credit allocation.
 - (B) The shareholder's social security number or identification number.
 - (C) The amount of credit allocated to each shareholder.
- (e) The California Energy Commission shall do all of the following:
 - (1) Establish criteria for allocation of the credit amounts in the case where more than seven hundred fifty thousand dollars (\$750,000) of credit are requested annually.
 - (2) Provide guidelines and criteria for application for credit allocation. These guidelines shall be exempt from Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code. However, these guidelines shall be adopted by the California Energy Commission at a noticed meeting and after one or more public workshops.
 - (3) Accept applications and issue certificates including the credit amount to which the taxpayer is entitled.
 - (4) Provide an annual listing to the Franchise Tax Board (preferably on magnetic tape or other machine-readable form, and in a form and manner agreed upon by the Franchise Tax Board and the California Energy Commission) of the qualified taxpayers who were issued the certification and the allowable amount of the credit allocated to each taxpayer.
 - (f) The taxpayers' identification numbers obtained through the tax credit application and certification process shall be used exclusively for state tax administrative purposes.
 - (g) The "qualified costs" shall be reduced by an amount equal to any amount allowable, for purposes of computing federal income tax, as a credit under Section 30 of the Internal Revenue Code, relating to credit for qualified electric vehicles, for the same vehicle.
 - (h) In the case where the credit allowed by this section exceeds the "tax," the excess may be carried over to reduce the "tax" in the following year, and succeeding years if necessary, until the credit has been exhausted.
 - (i) The aggregate amount of tax credits granted pursuant to this section and Section 17052.11 shall not exceed seven hundred fifty thousand dollars (\$750,000) per year. The California Energy Commission shall not authorize any credit if the credit would cause

the total amount of credit authorized in any year under the Personal Income Tax Law and the Bank and Corporation Tax Law to exceed seven hundred fifty thousand dollars (\$750,000).

(j) The amendments to this section made by the act adding this subdivision shall apply only to each income year beginning on or after January 1, 1993.

(k) This section shall remain in effect only until December 1, 1996, and as of that date is repealed.

SEC. 9. Section 23605 of the Revenue and Taxation Code is amended to read:

23605. (a) For each income year beginning on or after January 1, 1989, and before January 1, 1996, there shall be allowed as a credit against the amount of "tax" (as defined in Section 23036) an amount equal to the amount determined in subdivisions (b), (c), and (f).

(b) The amount of the credit allowed by this subdivision shall be as follows:

(1) In the case of an employer with 200 or more employees, the credit shall be 20 percent of the cost paid or incurred by an employer for the purchase of a company shuttle bus, company commuter bus or van, or company motor pool vehicle that is provided as part of an employer-sponsored ridesharing incentive program for employees conducted principally in this state.

(2) In the case of an employer with less than 200 employees, the credit shall be 30 percent of the cost specified in paragraph (1).

(3) The credit provided in this subdivision shall be claimed in the state return for the income year in which the ridesharing vehicle is purchased and placed in service.

(4) The basis of any ridesharing vehicle purchased for which a credit is allowed shall be reduced by the amount of the credit. The basis adjustment shall be made for the income year for which the credit is allowed.

(5) If a ridesharing vehicle purchased for which a credit is provided in this subdivision is disposed of, or is no longer used as part of an employer-sponsored ridesharing incentive program, within three years of its acquisition, that portion of the credit provided in this subdivision that represents the pro rata share of that remaining three-year period shall be added to the employer's tax liability in the income year of that disposition or nonuse. The basis of the vehicle shall be increased by an amount equal to that amount added to the employer's tax liability.

(c) The amount of the credit allowed by this subdivision shall be as follows:

(1) In the case of an employer with 200 or more employees, the credit shall be 15 percent of the cost paid or incurred by an employer for leasing or contracting a company shuttle bus, company commuter bus or van, or company motor pool vehicle that is provided as part of an employer-sponsored ridesharing incentive program. This credit shall be based on the total payments to the lessor or vehicle provider during the life of the lease or contract. The

lessor or vehicle provider of a vehicle specified in this subdivision is not eligible for this credit.

(2) In the case of an employer with less than 200 employees, the credit shall be 30 percent of the cost specified in paragraph (1).

(3) The credit provided in this subdivision shall be claimed in the state income tax return for the income year in which the ridesharing vehicle is leased or contracted for and placed in service. However, with respect to a ridesharing vehicle first leased or contracted for prior to the 1989 income year, the credit provided in this subdivision shall be claimed in the state income tax return for the 1989 income year based on the total payments to the lessor or vehicle provider during the 1989 income year and the total payments to be made during the remaining life of the lease or contract.

(4) If a ridesharing vehicle leased or contracted for which a credit is provided in this subdivision is disposed of, or is no longer used as part of an employer-sponsored ridesharing incentive program, prior to the expiration date of the lease or contract, that portion of the credit provided in this subdivision that represents the pro rata share of the remaining life of that lease or contract shall be added to the employer's tax liability in the income year of that disposition or nonuse.

(d) The credits allowed by subdivisions (b) and (c) shall not apply to the cost of purchasing, leasing, or contracting a company shuttle bus, company commuter bus or van, or company motor pool vehicle that would otherwise be required as part of the employer's business activities in the absence of an employer-sponsored ridesharing incentive program.

(e) The employer shall do all of the following with respect to the credits allowed in subdivisions (b) and (c):

(1) Keep a contemporaneous log of the vehicle's use such that it can be determined that it meets the requirements specified in subdivision (h). The log information shall include, but not be limited to, dates and times the vehicle was driven, the mileage for each trip, and the purpose of the trip.

(2) Retain vehicle documents verifying the vehicle's weight requirements, if applicable, and fuel efficiency standards as specified in subdivision (h). These documents shall include, but not be limited to, the vehicle's owners manual and the vehicle's registration.

(3) Provide upon the request of the Franchise Tax Board the information specified in paragraphs (1) and (2).

(f) A credit shall be allowed by this subdivision for the cost paid or incurred by an employer for providing subsidized public transit passes to an employee as follows:

(1) Forty percent of the cost if the employer provides no free or subsidized parking.

(2) Twenty percent of the cost if the employer provides subsidized parking.

(3) Ten percent of the cost if the employer provides free parking.

(g) In the case where the credit allowed by this section exceeds

the “tax” the excess may be carried over to reduce the “tax” in the following years and succeeding years if necessary, until the credit has been exhausted.

(h) For purposes of this section:

(1) “Employer” means a taxpayer for whom services are performed by an employee, except government agencies.

(2) “Employee” means an individual who performs service for an employer for more than 10 hours per week for remuneration.

(3) “Employer-sponsored ridesharing incentive program” means a program undertaken by an employer either alone or in cooperation with other employers to encourage or provide, or both, fiscal or other incentives to employees to make the home-to-work commute trip by any mode other than the single-occupant motor vehicle.

(4) “Company shuttle bus” means a highway vehicle that meets all of the following criteria:

(A) Has a seating capacity of at least seven adults, including the driver.

(B) At least 80 percent of the mileage of which reasonably can be expected to be for any of the following purposes:

(i) Transporting employees on a scheduled-route basis.

(ii) Interfacing with public transportation facilities.

(iii) Transporting employees on a demand-response basis.

(C) Is acquired by the taxpayer on or after the date of the enactment of this section, except as provided in paragraph (3) of subdivision (c).

(D) With respect to which the taxpayer makes an election under this paragraph on its return for the income year in which the vehicle is placed in service.

(E) Is made available to all employees on a nondiscriminatory basis in the normal course of the taxpayer’s business.

(5) “Company commuter bus or van” means a highway vehicle that meets all of the following criteria:

(A) Has a seating capacity of at least seven adults, including the driver.

(B) At least 50 percent of the mileage of which can be reasonably expected to be used for the purpose of transporting employees to and from work.

(C) Is acquired by the taxpayer on or after the date of enactment of this section, except as provided in paragraph (3) of subdivision (c).

(D) With respect to which the taxpayer makes an election under this paragraph on its return for the income year in which the vehicle is placed in service.

(E) Is made available to all employees on a nondiscriminatory basis in the normal course of the taxpayer’s business.

(6) “Company motor pool vehicle” means a highway vehicle that meets all of the following criteria:

(A) Is an automobile with a gross vehicle weight of 6,000 pounds or less.

(B) Meets or exceeds certain fuel efficiency standards pursuant to

the provisions of Title II of Public Law 95-618.

(C) Is made available to all employees on a nondiscriminatory basis during the course of the taxpayer's business, and at least 50 percent of its mileage during the taxable year can reasonably be expected to be used for the purpose of providing transportation to employees.

(D) Is acquired by the taxpayer on or after the date of the enactment of this section, except as provided in paragraph (3) of subdivision (c).

(E) With respect to which the taxpayer makes an election under this paragraph on its return for the income year in which the vehicle is placed in service.

(7) "Subsidized parking" means any parking provided to employees at the worksite of the employee receiving the transit pass that is not charged at its fair market value, represented by the prevailing price charged for similar parking within a half-mile radius of the worksite, as certified by the employer.

(i) The credit provided in this section shall be in lieu of any deduction under this part to which the taxpayer otherwise may be entitled for costs to which the credit applies.

(j) This section shall remain in effect only until December 1, 1996, and as of that date is repealed. However, any unused credit may continue to be carried forward, as provided in subdivision (g), until the credit has been exhausted.

SEC. 10. Section 23612.5 of the Revenue and Taxation Code is amended to read:

23612.5. (a) (1) For each income year beginning on or after January 1, 1989, and before January 1, 1994, there shall be allowed as a credit against the "tax" (as defined in Section 23036), an amount equal to 40 percent of the cost of qualified property purchased and placed in service on or after January 1, 1989, and before January 1, 1994. The amount of the allowable credit shall be claimed as provided in subdivision (c), and shall not be granted in the absence of a certification obtained pursuant to subdivision (e).

(2) Notwithstanding the total cost of the qualified property, the amount of cost that may be taken into account for purposes of claiming the credit allowed under this section and Section 17052.14 shall not exceed six hundred twenty-five thousand dollars (\$625,000) per facility during the five-year credit period.

(3) The basis of any qualified property, as defined in paragraph (1) of subdivision (d), for which a credit is allowed shall be reduced by the amount of the credit. The basis adjustment shall be made for the income year for which the credit is allowed.

(b) The credit shall be allowed by this section only if both of the following apply:

(1) The total adjusted basis of all qualified property owned on the last day of the income year exceeds the largest total adjusted basis of all qualified property owned at any one time during the base year.

(2) The total capacity of qualified property to use recycled

materials on the last day of the income year exceeds the largest total capacity of qualified property at any one time during the base year. If a qualified property owned in the base year is replaced by qualified property of larger capacity, the eligible costs shall be proportional to the increase in capacity.

(c) The amount of the allowable credit shall be claimed as follows:

(1) Twenty percent of the cost, as limited by paragraph (2) of subdivision (a), shall be allowed for the income year the qualified property is placed in service.

(2) Fifteen percent of the cost, as limited by paragraph (2) of subdivision (a), shall be allowed for the income year immediately succeeding the income year the qualified property is placed in service.

(3) Five percent of the cost, as limited by paragraph (2) of subdivision (a), shall be allowed for the income year immediately succeeding the income year specified in paragraph (2).

(d) For purposes of this section, the following definitions shall apply:

(1) "Qualified property" means machinery or equipment located within California, that has not previously been certified, and is used by the taxpayer exclusively to manufacture finished products composed of at least 50 percent secondary waste material of which at least 10 percent is composed of postconsumer waste generated from within California. "Qualified property" may include manufacturing equipment that utilizes 100 percent secondary waste, including at least 80 percent postconsumer waste that is contained within a finished product regardless of the finished product's percent postconsumer content. Equipment used in each step of a manufacturing process may be qualified property, even though the equipment is owned and used by different taxpayers. "Qualified property" includes, but is not limited to, deinking equipment utilized in the production of fine quality paper, equipment utilized in the production of compost, equipment utilized to reclaim plastic to be used either as a raw material or sold to a manufacturer for use in the manufacture or fabrication of finished products, equipment that processes used plastic milk bottles into flakes, equipment that processes resin pellets from the flakes, and equipment that manufactures toys from the pellets.

(2) "Postconsumer waste" is only those products generated within California by a business or consumer that have served their intended end uses and would normally be disposed of as solid waste, having completed their life cycle as a consumer item.

(3) "Secondary waste" means those products generated within California that, if not recovered, would otherwise be solid waste, and that are intended for sale, use, reuse, or recycling, including preconsumer and postconsumer waste, but excluding manufacturing waste.

(4) "Finished product" means a marketable product or component thereof that has an economic value to a consumer and is

ready to be used without the requirement of further alteration of its form. "Compost," as defined in Section 40116 of the Public Resources Code, is a finished product if it meets all the criteria of the definition of "finished product."

(5) "Base year" is the income year immediately preceding the income year for which the credit allowed by this section is claimed.

(6) For purposes of this section "recycle" and "recycling" are defined in Section 40180 of the Public Resources Code.

(7) "Facility" means a single distribution terminal, plant, or refinery and any such property contiguous thereto.

(8) "Preconsumer waste" means those materials generated during any step in the production of a product, that have been removed from or otherwise diverted from the solid waste stream for the purpose of recycling, but does not include manufacturing waste, as defined.

(9) "Manufacturing waste" means those materials and byproducts generated from, and commonly reused within, a manufacturing process (for example, mill broke).

(e) The California Integrated Waste Management Board shall do all of the following:

(1) Certify that the qualified property is purchased and used by the taxpayer as specified in paragraph (2) of subdivision (b) and subdivision (d).

(2) Provide an annual listing to the Franchise Tax Board, (preferably on magnetic tape or other machine-readable form, and in a form and manner agreed upon by the Franchise Tax Board and the California Integrated Waste Management Board), of the qualified taxpayers who were issued the certification.

(3) Provide the taxpayer with a copy of the certification to retain for its records.

(4) Obtain the taxpayer's identification number, or in the case of a partnership, all of the partners' taxpayer identification numbers. For purposes of this paragraph, "taxpayer identification number" includes, but is not limited to, a social security number, corporate identification number or a federal employer identification number. Any social security number obtained by the board pursuant to this paragraph shall be utilized for tax administration purposes only.

(f) The taxpayer shall do all of the following:

(1) Provide the California Integrated Waste Management Board with documents, as deemed necessary by the California Integrated Waste Management Board, verifying the purchase of the qualified property and that the machinery or equipment meets the recycling requirements specified in this section.

(2) Retain for its records a copy of the certificate issued by the California Integrated Waste Management Board specified in paragraph (1) of subdivision (e).

(3) Provide a copy of the certification specified in paragraph (1) of subdivision (e) to the Franchise Tax Board upon request. Where the taxpayer fails to comply with the requirement of this paragraph,

no credit shall be allowed to that taxpayer under this section for the taxable year unless the taxpayer subsequently complies.

(4) Provide the California Integrated Waste Management Board with its taxpayer identification number.

(g) In the case where the credit allowed by this section exceeds the "tax," for any income year for which a credit is allowed by subdivision (c), the excess may be carried over to reduce that "tax," in the following year, and succeeding years if necessary, until the credit is used.

(h) If a taxpayer disposes of or no longer uses the qualified property as defined in subdivision (d), then any amount that would have been otherwise allowed as a credit for the income year of disposition or nonuse shall not be allowed.

(i) The California Integrated Waste Management Board shall, no later than March 1, 1994, submit a report to the Legislature evaluating the impact of the tax expenditure in this section. The report shall include information about the number of taxpayers claiming the credit, the total dollar amount of credit allocated, and the equipment for which the credit was used. The report shall also determine to what extent, if any, the tax expenditure authorized by this section increased recycling activities in California. The California Integrated Waste Management Board shall work cooperatively with the Franchise Tax Board to determine the relevant tax return data necessary to complete the report and the time the data is required. The Franchise Tax Board shall be responsible for providing the data to the California Integrated Waste Management Board.

(j) This section shall remain in effect only until December 1, 1994, and as of that date is repealed, unless a later enacted statute, which is chaptered before December 1, 1994, deletes or extends that date. However, any unused credit may continue to be carried forward, as provided in subdivision (g), until the credit has been exhausted.

SEC. 11. Section 23617.5 of the Revenue and Taxation Code is amended to read:

23617.5. (a) For each income year beginning on or after January 1, 1988, and before January 1, 1995, there shall be allowed as a credit against the "tax" (as defined by Section 23036) an amount equal to the amount determined in subdivision (b).

(b) (1) The amount of the credit allowed by this section shall be 50 percent of the cost paid or incurred by the taxpayer on or after September 23, 1988, for contributions to a qualified care plan made on behalf of any dependent of the taxpayer's California employee who is under the age of 15 years.

(2) The amount of the credit allowed by this section in any income year shall not exceed six hundred dollars (\$600) for contributions to a full-time qualified care plan or a part-time qualified care plan made on behalf of the employee's dependent.

(c) For purposes of this section:

(1) "Qualified care plan" includes, but is not limited to, onsite

service, center-based service, in-home care or home-provider care, and a dependent care center as defined by Section 21(b)(2)(D) of the Internal Revenue Code that is a specialized center with respect to short-term illnesses of an employee's dependents, provided the facility is located in this state and is operated under the authority of a license when required by state law.

(2) "Specialized center" means a facility that provides care to mildly ill children and that may do all of the following:

(A) Be staffed by pediatric nurses and day care workers.

(B) Admit children suffering from common childhood ailments (including colds, flu, and chickenpox).

(C) Make special arrangements for well children with minor problems associated with diabetes, asthma, breaks or sprains, and recuperation from surgery.

(D) Separate children according to their illness and symptoms in order to protect them from cross-infection.

(3) "Full-time qualified care plan" means an average of eight or more hours of dependent care per day for at least 42 weeks per year in a qualified care plan.

(4) "Part-time qualified care plan" means an average of two to eight hours of dependent care per day for at least 42 weeks per year in a qualified care plan.

(5) "Contributions" include employer reimbursements to employees for the employee's qualified care plan expenses, or direct payments to child care programs or providers, or both.

(6) The term "employee" includes, for any year, an individual who is an employee within the meaning of Section 401(c)(1) of the Internal Revenue Code (relating to self-employed individuals).

(d) In the case where an employer makes contributions to a qualified care plan and also collects fees from parents to support a child care facility owned and operated by the employer, no credit shall be allowed under this section for contributions in the amount, if any, by which the sum of the contributions and fees exceed the total cost of providing care. The Franchise Tax Board may require information about fees collected from parents of children served in the facility from taxpayers claiming credits under this section.

(e) In the case where the child care received is of less than 42-week duration, the employer shall claim a prorated portion of the allowable credit. The employer shall prorate the credit using the ratio of the number of weeks of care received divided by 42 weeks.

(f) In the case where the credit allowed under this section exceeds the "tax," the excess may be carried over to reduce the "tax" in the following year, and succeeding years if necessary, until the credit has been exhausted.

(g) The credit shall not be available to an employer if the care provided on behalf of an employee is provided by an individual who:

(1) Qualifies as a dependent of that employee or that employee's spouse under paragraph (1) of subdivision (d) of Section 17054.

(2) Is (within the meaning of Section 17056) a son, stepson,

daughter, or stepdaughter of that employee under the age of 19 years at the close of that taxable year.

(h) The contributions to a qualified care plan shall not discriminate in favor of employees who are officers, owners, or highly compensated, or their dependents.

(i) No deduction shall be allowed as otherwise provided in this part for that portion of expenses paid or incurred for the income year that is equal to the amount of the credit allowed under this section.

(j) In the case where the credit is taken by an employer for contributions to a qualified care plan that is used at a facility owned by the employer, the basis of that facility shall be reduced by the amount of the credit. The basis adjustment shall be made for the income year for which the credit is allowed.

(k) This section shall remain in effect only until December 1, 1995, and as of that date is repealed. However, any unused credit may continue to be carried forward, as provided in subdivision (f), until the credit has been exhausted.

SEC. 12. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to provide for the reimbursement of certain administrative costs of the Franchise Tax Board in a timely manner and thereby avoid a deficiency for the 1993-94 fiscal year, it is necessary that this act go into immediate effect.

CHAPTER 49

An act to amend Sections 41422, 46206, and 46392 of, and to add Section 8209 to, the Education Code, relating to education, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor April 19, 1994. Filed with
Secretary of State April 19, 1994.]

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

SECTION 1. Section 8209 is added to the Education Code, to read:

8209. (a) In the event a state of emergency is declared by the Governor, the Superintendent of Public Instruction may waive, for the purpose of maintaining continuity of services or assisting in disaster recovery, any requirements of this code or regulations adopted pursuant to this code relating to child care and development programs operated pursuant to this chapter.

(b) In the event a state of emergency is declared by the Governor, the Superintendent of Public Instruction may waive, for the purpose of maintaining continuity of services or assisting in disaster recovery,

any requirements of this code or regulations adopted pursuant to this code relating to child nutrition programs in child care and development programs operated pursuant to this chapter.

(c) A waiver granted pursuant to subdivision (a) or (b) shall not exceed 45 calendar days.

(d) For purposes of this section, "state of emergency" includes fire, flood, earthquake, or a period of civil unrest.

SEC. 2. Section 41422 of the Education Code is amended to read:

41422. A district that is prevented from maintaining its schools during a fiscal year for at least 175 days or is required to operate sessions of shorter length than otherwise prescribed by law because of fire, flood, earthquake, or epidemic, or because of any order of any military officer of the United States or of the state to meet an emergency created by war, or of any civil officer of the United States, of the state, or of any county, city and county, or city authorized to issue that order to meet an emergency created by war, or because of other extraordinary conditions, or because of inability to secure or hold a teacher, or because of the illness of the teacher, which fact shall be shown to the satisfaction of the Superintendent of Public Instruction by the affidavits of the members of the governing board of the school district and of the county superintendent of schools, shall receive the same apportionment from the State School Fund as it would have received had it not been so prevented from maintaining school for at least 175 full-length days.

This section shall also apply to districts which, in the absence of one or more of the conditions prescribed by this section, would have qualified for funds under Sections 46200 or 46201.

SEC. 3. Section 46206 of the Education Code is amended to read:

46206. (a) Notwithstanding any other provision of law, beginning with the 1984-85 school year and each school year thereafter, the State Board of Education may waive all or any portion of the fiscal penalties that may be levied for failing to maintain the prescribed minimum length of time for the instructional schoolday and year as provided in this article. Any waiver granted by the board pursuant to this section shall be applicable only to the district receiving the waiver for one year and shall be granted only when the time involved is equal to or less than 900 minutes of instructional time. The waiver shall include a plan for the district to make up any instructional time lost, which precipitated the need for the waiver during a school year, in the school year immediately following the year in which the waiver is granted. If a school district fails to make up the lost instructional time in accordance with the plan submitted to the State Board of Education, the fiscal penalties set forth in Sections 46200, 46200.5, 46201, 46201.1, 46201.5, and 46202 shall be imposed. Any waiver granted pursuant to this section shall be included in an annual report by the State Board of Education to the Legislature regarding waivers granted by the State Board of Education pursuant to this section.

(b) Exceptions to the one-year limitation, the 900-minute limit,

and the provisions to make up the lost instructional time may be granted to any school district that maintained a single session kindergarten class in the 1982-83 school year for more than the maximum number of 240 minutes permitted by state law, and that, due to the school district's growth and facilities limitations, is required to operate two sessions of kindergarten per day in the same classroom.

(c) It is the intent of the Legislature that the State Board of Education grant waivers as authorized by subdivision (a) only in the event of circumstances that involve the health and safety of pupils or unavoidable human error, other than those circumstances set forth in Section 41422. It is the further intent of the Legislature that the State Board of Education waive only an appropriate portion of the fiscal penalties that may be levied based on the number of pupils affected. In addition, it is the intent of the Legislature that school districts make every effort to make up any instructional time lost during the school year in which the loss of time occurred, rather than seeking a waiver pursuant to subdivision (a).

SEC. 4. Section 46392 of the Education Code is amended to read:

46392. (a) Whenever the average daily attendance of any school district, county office of education, or regional occupational center or program during any fiscal year has been materially decreased during any fiscal year because of any of the following, the fact shall be established to the satisfaction of the Superintendent of Public Instruction by affidavits of the members of the governing board of the school district or county office of education, and the county superintendent of schools:

- (1) Fire.
- (2) Flood.
- (3) Impassable roads.
- (4) An epidemic.
- (5) An earthquake.
- (6) The imminence of a major safety hazard as determined by the local law enforcement agency.
- (7) A strike involving transportation services to pupils provided by a nonschool entity.
- (8) An order provided for in Section 41422.

(b) In the event a state of emergency is declared by the Governor in a county, any decrease in average daily attendance in the county below the approximate total average daily attendance that would have been credited to a school district, county office of education, or regional occupational center or program had the state of emergency not occurred shall be deemed material. The superintendent shall determine the length of the period during which average daily attendance has been reduced by the state of emergency. This period which is determined by the superintendent shall not extend into the next fiscal year following the declaration of the state of emergency by the Governor, except upon a showing by a school district, county office of education, or regional occupational center or program, to

the satisfaction of the superintendent, that extending the period into the next fiscal year is essential to alleviate continued reductions in average daily attendance attributable to the state of emergency.

(c) The average daily attendance of the district, county office of education, or regional occupational center or program for the fiscal year shall be estimated by the superintendent in a manner that credits to the school district, county office of education, or regional occupational center or program for determining the apportionments to be made to the district, county office of education, or regional occupational center or program from the State School Fund approximately the total average daily attendance that would have been credited to the school district, county office of education, or regional occupational center or program had the emergency not occurred or had the order not been issued.

(d) This section applies to any average daily attendance that occurs during any part of a school year.

SEC. 5. (a) Notwithstanding Section 88003 of the Education Code, the Santa Clarita Community College District may exclude from the classified service a substitute or short-term employee hired or reemployed as a result of conditions related to the Northridge earthquake, irrespective of the number of days for which the individual is employed and paid.

(b) The governing board of the Santa Clarita Community College District shall meet and confer with the exclusive representatives of the classified employees prior to exercising the authority granted by subdivision (a).

(c) This section shall become inoperative on June 30, 1994, and, as of January 1, 1995, is repealed, unless a later enacted statute, which becomes effective on or before January 1, 1995, deletes or extends the dates on which it becomes inoperative and is repealed.

SEC. 6. (a) In lieu of the allowances specified in Sections 41851 and 41851.5 of the Education Code, for the 1994-95 fiscal year, a school district or county office of education that operated home-to-school transportation services or special education transportation services, as defined in Section 41850 of the Education Code, during the 1993-94 fiscal year may receive, upon review and approval of the Superintendent of Public Instruction, the same proportional share of the statewide total amount of funding provided in the Budget Act of 1994, when chaptered, for either type of transportation service as the school district or county office of education received of the statewide total amount of funding provided in the Budget Act of 1993 for either type of transportation service.

(b) In order to receive the allowances specified in subdivision (a), the school district or county office of education shall provide certification to the Superintendent of Public Instruction showing that the costs for home-to-school transportation services or special education transportation services approved for the 1993-94 fiscal year decreased below the allowance received for either type of

transportation service in the 1993–94 fiscal year as a direct result of the Northridge earthquake of 1994.

SEC. 7. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

It is necessary that this act take effect immediately because the Northridge earthquake of 1994 has caused serious problems in the general operation of community colleges in the Santa Clarita Community College District and serious problems in the general operation of schools and in the operation of child care and development programs in schools.

CHAPTER 50

An act to add Sections 4816, 4817, 4819, and 4820 to the Labor Code, relating to peace officers.

[Approved by Governor April 19, 1994. Filed with
Secretary of State April 19, 1994.]

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

SECTION 1. Section 4816 is added to the Labor Code, to read:
4816. Pursuant to a collective bargaining agreement applicable to members of the California State University Police Department, whenever any member of that police department falling within the “law enforcement” class is disabled by injury or illness arising out of and in the course of his or her duties, he or she shall become entitled, regardless of his or her period of service with the police department, to enhanced industrial disability leave equivalent to the injured employee’s net take home salary on the date of occurrence of the injury. For the purposes of this section, “net take home salary” means the amount of salary received after federal income tax, state income tax, and the employee’s retirement contribution has been deducted from the employee’s gross salary, in lieu of disability payments under this chapter, for a period of not exceeding one year. No benefits shall be paid under this section for any psychiatric disability or any physical disability arising from a psychiatric injury.

This section shall apply only to members of the California State University Police Department whose principal duties consist of active law enforcement, and shall not apply to persons employed in the California State University Police Department whose principal duties are those of telephone operator, clerk, stenographer, machinist, mechanic, or otherwise clearly not falling within the scope of active law enforcement service, even though the person is subject to occasional call or is occasionally called upon to perform duties within the scope of active law enforcement service.

SEC. 2. Section 4817 is added to the Labor Code, to read:

4817. It shall be the duty of the appeals board to determine, in the case of members of the California State University Police Department, upon the request of the Board of Trustees of the California State University, whether or not the disability referred to in Section 4816 arose out of and in the course of duty. The appeals board shall, also in any disputed case, determine when such disability ceases.

SEC. 3. Section 4819 is added to the Labor Code, to read:

4819. Whenever the disability of a member of the California State University Police Department continues for a period beyond one year, that member shall thereafter be subject, as to disability indemnity, to the provisions of this division other than Section 4816, which refers to temporary disability only, during the remainder of the disability.

SEC. 4. Section 4820 is added to the Labor Code, to read:

4820. No disability indemnity shall be paid to a member of the California State University Police Department as temporary disability concurrently with wages or salary payments.

CHAPTER 51

An act to validate the organization, boundaries, acts, proceedings, and bonds of public bodies, and to provide limitations of time wherein actions may be commenced, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor April 19, 1994. Filed with
Secretary of State April 19, 1994.]

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

SECTION 1. This act may be cited as the First Validating Act of 1994.

SEC. 2. As used in this act:

(a) "Public body" means the state and all departments, agencies, boards, commissions, and authorities of the state. "Public body" also means all counties, cities and counties, cities, districts, authorities, agencies, boards, commissions, and other entities, whether created by a general statute or a special act, including, but not limited to, the following:

Agencies, boards, commissions, or entities constituted or provided for under or pursuant to Chapter 5 (commencing with Section 6500) of Division 7 of Title 1 of the Government Code.

Air pollution control districts of any kind.

Air quality management districts.

Airport districts.

Assessment districts, benefit assessment districts, and special

assessment districts of any public body.

Bridge and highway districts.

California water districts.

Citrus pest control districts.

City maintenance districts.

Community college districts.

Community development commissions.

Community facilities districts.

Community redevelopment agencies.

Community rehabilitation districts.

Community services districts.

Conservancy districts.

Cotton pest abatement districts.

County boards of education.

County drainage districts.

County flood control and water districts.

County free library systems.

County maintenance districts.

County sanitation districts.

County service areas.

County transportation commissions.

County water agencies.

County water authorities.

County water districts.

County waterworks districts.

Department of Water Resources and other agencies acting pursuant to Part 3 (commencing with Section 11100) of Division 6 of the Water Code.

Distribution districts of any public body.

Drainage districts.

Fire protection districts.

Flood control and water conservation districts.

Flood control districts.

Garbage and refuse disposal districts.

Garbage disposal districts.

Geologic hazard abatement districts.

Harbor districts.

Harbor improvement districts.

Harbor, recreation, and conservation districts.

Health care authorities.

Highway districts.

Highway interchange districts.

Highway lighting districts.

Housing authorities.

Improvement districts or improvement areas of any public body.

Industrial development authorities.

Infrastructure financing districts.

Integrated financing districts.

Irrigation districts.

Joint highway districts.
Levee districts.
Library districts.
Library districts in unincorporated towns and villages.
Local agency formation commission.
Local health care districts.
Local health districts.
Local hospital districts.
Local transportation authorities or commissions.
Maintenance districts.
Memorial districts.
Metropolitan transportation commission.
Metropolitan water districts.
Mosquito abatement or vector control districts.
Municipal improvement districts.
Municipal utility districts.
Municipal water districts.
Nonprofit corporations.
Nonprofit public benefit corporations.
Open-space maintenance districts.
Parking authorities.
Parking districts.
Permanent road divisions.
Pest abatement districts.
Police protection districts.
Port districts.
Project areas of community redevelopment agencies.
Protection districts.
Public cemetery districts.
Public utility districts.
Rapid transit districts.
Reclamation districts.
Recreation and park districts.
Regional justice facility financing agencies.
Regional park and open-space districts.
Regional planning districts.
Regional transportation commissions.
Resort improvement districts.
Resource conservation districts.
River port districts.
Road maintenance districts.
Sanitary districts.
School districts of any kind or class.
Separation of grade districts.
Service authorities for freeway emergencies.
Sewer districts.
Sewer maintenance districts.
Small craft harbor districts.
Stone and pome fruit pest control districts.

Storm drain maintenance districts.
 Storm drainage districts.
 Storm drainage maintenance districts.
 Storm water districts.
 Toll tunnel authorities.
 Traffic authorities.
 Transit development boards.
 Transit districts.
 Unified and union school districts public libraries.
 Vehicle parking districts.
 Water agencies.
 Water authorities.
 Water conservation districts.
 Water districts.
 Water replenishment districts.
 Water storage districts.
 Wine grape pest and disease control districts.
 Zones or service zones of any public body.

(b) "Bonds" means all instruments evidencing an indebtedness of a public body incurred or to be incurred for any public purpose, all leases, installment purchase agreements, or similar agreements wherein the obligor is one or more public bodies, all instruments evidencing the borrowing of money in anticipation of taxes, revenues, or other income of that body, all instruments payable from revenues or special funds of those public bodies, all certificates of participation evidencing interests in the leases, installment purchase agreements, or similar agreements, and all instruments funding, refunding, replacing, or amending any thereof or any indebtedness.

(c) "Hereafter" means any time subsequent to the effective date of this act.

(d) "Heretofore" means any time prior to the effective date of this act.

(e) "Now" means the effective date of this act.

SEC. 3. All public bodies heretofore organized or existing under, or under color of, any law, are hereby declared to have been legally organized and to be legally functioning as those public bodies. Every public body, heretofore described, shall have all the rights, powers, and privileges, and be subject to all the duties and obligations, of those public bodies regularly formed pursuant to law.

SEC. 4. The boundaries of every public body as heretofore established, defined, or recorded, or as heretofore actually shown on maps or plats used by the assessor, are hereby confirmed, validated, and declared legally established.

SEC. 5. All acts and proceedings heretofore taken by any public body or bodies under any law, or under color of any law, for the annexation or inclusion of territory into those public bodies or for the annexation of those public bodies to any other public body or for the withdrawal or exclusion of territory from any public body or for the consolidation, merger, or dissolution of any public bodies are hereby

confirmed, validated, and declared legally effective. This shall include all acts and proceedings of the governing board of any public body and of any person, public officer, board, or agency heretofore done or taken upon the question of the annexation or inclusion or of the withdrawal or exclusion of territory or the consolidation, merger, or dissolution of those public bodies.

SEC. 6. All acts and proceedings heretofore taken by or on behalf of any public body under any law, or under color of any law, for, or in connection with, the authorization, issuance, sale, execution, delivery, or exchange of bonds of any public body for any public purpose are hereby authorized, confirmed, validated, and declared legally effective. This shall include all acts and proceedings of the governing board of public bodies and of any person, public officer, board, or agency heretofore done or taken upon the question of the authorization, issuance, sale, execution, delivery, or exchange of bonds.

All bonds of, or relating to, any public body heretofore issued shall be, in the form and manner issued and delivered, the legal, valid, and binding obligations of the public body. All bonds of, or relating to, any public body heretofore awarded and sold to a purchaser and hereafter issued and delivered in accordance with the contract of sale and other proceedings for the award and sale shall be the legal, valid, and binding obligations of the public body. All bonds of, or relating to, any public body heretofore authorized to be issued by ordinance, resolution, order, or other action adopted or taken by or on behalf of the public body and hereafter issued and delivered in accordance with that authorization shall be the legal, valid, and binding obligations of the public body. All bonds of, or relating to, any public body heretofore authorized to be issued at an election and hereafter issued and delivered in accordance with that authorization shall be the legal, valid, and binding obligations of the public body. Whenever an election has heretofore been called for the purpose of submitting to the voters of any public body the question of issuing bonds for any public purpose, those bonds, if hereafter authorized by the required vote and in accordance with the proceedings heretofore taken, and issued and delivered in accordance with that authorization, shall be the legal, valid, and binding obligations of the public body.

SEC. 7. (a) This act shall operate to supply legislative authorization as may be necessary to authorize, confirm, and validate any acts and proceedings heretofore taken pursuant to authority the Legislature could have supplied or provided for in the law under which those acts or proceedings were taken.

(b) This act shall be limited to the validation of acts and proceedings to the extent that the same can be effectuated under the state and federal Constitutions.

(c) This act shall not operate to authorize, confirm, validate, or legalize any act, proceeding, or other matter being legally contested or inquired into in any legal proceeding now pending and

undetermined or that is pending and undetermined during the period of 30 days from and after the effective date of this act, and shall not operate to authorize, confirm, validate, or legalize any act, proceeding, or other matter that has heretofore been determined in any legal proceeding to be illegal, void, or ineffective.

(d) This act shall not operate to authorize, confirm, validate, or legalize a contract between any public body and the United States.

SEC. 8. Any action or proceeding contesting the validity of any action or proceeding heretofore taken under any law, or under color of any law, for the formation, organization, or incorporation of any public body, or for any annexation thereto, exclusion therefrom, or other change of boundaries thereof, or for the consolidation, merger, or dissolution of any public bodies, or for, or in connection with, the authorization, issuance, sale, execution, delivery, or exchange of bonds thereof upon any ground involving any alleged defect or illegality not effectively validated by the prior provisions of this act and not otherwise barred by any statute of limitations or by laches shall be commenced within six months of the effective date of this act; otherwise each and all of those matters shall be held to be valid and in every respect legal and incontestable. This act shall not extend the period allowed for legal action beyond the period that it would be barred by any presently existing valid statute of limitations.

SEC. 9. Nothing contained in this act shall be construed to render the creation of any public body, or any change in the boundaries of any public body, effective for purposes of assessment or taxation unless the statement, together with the map or plat, required to be filed pursuant to Chapter 8 (commencing with Section 54900) of Part 1 of Division 2 of Title 5 of the Government Code, is filed within the time and substantially in the manner required by those sections.

SEC. 10. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

To validate the organization, boundaries, acts, proceedings, and bonds of public bodies as soon as possible, it is necessary that this act take immediate effect.

CHAPTER 52

An act to add Division 18 (commencing with Section 28000) to the Public Resources Code, relating to state estuaries.

[Approved by Governor April 26, 1994. Filed with
Secretary of State April 26, 1994.]

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

SECTION 1. Division 18 (commencing with Section 28000) is added to the Public Resources Code, to read:

DIVISION 18. MORRO BAY MANAGEMENT PLAN

28000. The Legislature hereby finds and declares all of the following:

(a) There has long been a public concern for protecting and preserving the natural resources, wildlife habitat, recreational, and other environmental values, and public health at Morro Bay and its watershed, beginning with Senate Resolution 176 in 1966.

(b) In 1966, the Senate declared that the preservation of Morro Bay's fish, wildlife, recreational and aesthetic resources is of great importance to the people of California, and directed the Resources Agency to conduct a study of Morro Bay and its watershed and to prepare a plan for the preservation of the natural resources of the bay and watershed.

(c) The need for a management plan for Morro Bay was demonstrated in a 1966 study by the Department of Fish and Game, resulting from the Senate resolution, which described Morro Bay's rich natural resources and proposed the formation of a multiagency planning task force to prepare a comprehensive area plan for approval by the Legislature.

(d) The need for developing a management plan for Morro Bay was recognized in 1975 by the report of an intergovernmental task force, "A Coastal Watershed Environmental Management System—Morro Bay, California," which recommended various models of cooperative and comprehensive planning and management of Morro Bay and its watershed.

(e) The Morro Bay Task Force, composed of representatives of 50 government agencies and interest groups, was established in 1987 and adopted as a goal the long-term preservation, conservation, and enhancement of Morro Bay. It selected management planning as the best means to pursue that goal.

(f) The need to develop and carry out a management plan for Morro Bay and its watershed has been clearly recognized by the Legislature in adopting Assembly Concurrent Resolution 118 in 1990 (Resolution Chapter 58 of the Statutes of 1990).

(g) This need is also recognized by the approval by the Governor

of the nomination of Morro Bay for the National Estuary Program, as developed and adopted by the State Water Resources Control Board. The development of a management plan for Morro Bay will improve the likelihood that Morro Bay will be accepted into the National Estuary Program.

(h) The Congress of the United States is expected to renew and revise the Clean Water Act (33 U.S.C. Sec. 1250 et seq.), and to include funding for watershed management planning. Designating Morro Bay and its watershed as a management planning area will increase the likelihood that Congress will allocate federal funds for Morro Bay management planning.

(i) There is now clear and compelling evidence that Morro Bay is suffering from an unnaturally rapid, undesirable, and irreversible deterioration as a unique and valuable natural resource, including (1) a 1988 study, funded by the State Coastal Conservancy, which determined that Morro Bay has lost over 30 percent of its estuary over the last 100 years, and that it continues to be threatened by unnaturally rapid sedimentation and the loss of riparian flow caused by activities on state-owned and local agency-owned properties and on privately owned agricultural lands within the watershed, and (2) occasional, recent measurements by the State Department of Health Services of coliform content that exceed safe levels.

(j) The need to prevent erosion in the Morro Bay watershed, which results in further sedimentation and loss of bay habitat, has been clearly recognized by the commitment of over three million dollars (\$3,000,000) to watershed enhancement projects, mostly through the State Coastal Conservancy.

(k) The Morro Bay watershed was selected as the pilot watershed for developing California's nonpoint source pollution regulations to comply with the federal Coastal Zone Management Act of 1972 (16 U.S.C. Sec. 1451 et seq.).

(l) There are unknown factors influencing the health of Morro Bay which need study, including (1) unsafe levels of nitrates in groundwater in residential areas adjoining the bay, coupled with rapidly increasing coverage of intertidal mudflats with algae, and (2) occasional quarantine of oyster production in Morro Bay because of paralytic poisoning caused by planktonic invasion.

(m) Morro Bay is an essential link in the Pacific Flyway, providing the state's largest waterfowl habitat south of San Francisco. Annually, Morro Bay has the second or third largest Audubon count of bird species in the nation.

(n) Morro Bay offers many beneficial human uses, such as oyster farming, harboring commercial and recreational fishing boats, recreational boating, and aesthetic tourist attractions supporting a large business community. A healthy bay is important for all of these activities and enterprises.

(o) Morro Bay remains relatively unspoiled. Action to maintain and enhance it will be far less costly than restoring it after deterioration.

(p) Through the efforts of governmental agencies and volunteer organizations communicating through the Morro Bay Task Force, strong, widespread, bipartisan support for the development of a management plan has arisen. Cooperative effort and the involvement of all concerned has already been established as the method to follow in planning.

(q) It is necessary to develop a comprehensive management plan for Morro Bay to conduct research, to coordinate the monitoring of sediment and water quality, to promote coordinated education and public outreach programs, and to identify and seek sources of funding for these activities.

28001. It is the intent of the Legislature in enacting this division to do all of the following:

(a) Recognize the importance of preserving and enhancing Morro Bay and its watershed as one of the state's rare natural treasures.

(b) Recognize the importance of commercial enterprises in and around Morro Bay to the economic and employment base of the area.

(c) Authorize the development of a management plan for Morro Bay and its watershed that will protect its natural attributes in balance with the maintenance and enhancement of human activity and enterprise in the bay and its watershed.

(d) Provide a basis for public agencies which have jurisdiction over parts of, or over activities within, the bay and its watershed, to carry out the management plan.

(e) Encourage federal agencies and nongovernmental groups to support the accomplishment of these purposes.

(f) Provide for continuing current legal uses in the bay and its watershed.

28002. For purposes of this division, the following terms have the following meanings:

(a) "Agency" means the California Environmental Protection Agency.

(b) "Bay" means Morro Bay and its watershed.

(c) "Plan" means the Morro Bay management plan developed pursuant to this division.

(d) "State Estuary" means a saltwater bay or body of water and its watershed within the state where freshwater streams enter, that supports beneficial human uses and wildlife and merits high-priority action for preservation.

28003. Morro Bay and San Diego Bay are each hereby designated a State Estuary. Morro Bay and its watershed are hereby designated a State Estuary planning area.

28004. (a) (1) The agency shall convene the Morro Bay Management Plan Task Force to develop the plan. The Central Coast Regional Water Quality Control Board shall be utilized to carry out necessary administrative functions, including selecting a temporary chairperson of the task force, until such time as the task force establishes its own organization, leadership, and procedures.

The task force shall meet at least four times each calendar year. The task force shall submit the plan to the San Luis Obispo County Board of Supervisors and to the Morro Bay City Council for approval. Following that approval, the task force shall, on or before July 1, 1997, submit the plan to the Legislature.

(2) On and after July 1, 1997, the task force shall, on an ongoing basis, make recommendations to the agency regarding the need for any revisions in the plan.

(3) The task force shall terminate as of June 30, 2007.

(b) The agency shall encourage all local, state, and federal agencies with jurisdiction over parts of, or activities within, the bay and its watershed to participate in the task force. The agency shall also encourage the participation of all interested business and agricultural groups, commercial organizations, environmental groups, and any other interested groups or individuals.

(1) Participating agencies may include, but are not limited to, the agency, the National Guard, the Department of Parks and Recreation, the Department of Fish and Game, the Department of Corrections, the State Department of Health Services, the California Coastal Commission, the State Water Resources Control Board, the Central Coast Regional Water Quality Control Board, the Coastal San Luis Resource Conservation District, the State Coastal Conservancy, the California Conservation Corps, California Polytechnic State University San Luis Obispo, the University of California Agricultural Extension, the County of San Luis Obispo, and the City of Morro Bay.

(2) Other participants may include, but are not limited to, the Pacific Gas and Electric Company, agricultural groups, commercial fishing, mariculture, and fish processing groups, local chambers of commerce, and members of the tourist industry.

(3) The costs incurred by each voluntary participant in the task force shall be limited to the costs of its own participation at the meetings called by the chairperson of the task force.

28005. The plan shall include provisions for the protection and enhancement of every aspect of the health of the bay. Proposed actions and projects for those purposes shall have target dates for completion and provisions for participation by state and local agencies in those actions and projects. The plan shall identify research that is needed to make future decisions in revising the plan.

28006. This division does not provide any funds to carry out the plan. However, state, local, and federal agencies are hereby encouraged to allocate funds to carry out the plan. Private foundations, businesses, and nonprofit corporations are urged to donate funds to achieve the objectives of the plan.

28007. At two-year intervals after the plan is submitted to the Legislature, the agency shall call a task force meeting to evaluate the effectiveness of the plan and to make any necessary revisions in the plan. The revisions shall be subject to the same approval process as the original plan.

SEC. 2. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the local agency or school district has the authority to levy service charges, fees, or assessments sufficient to pay for the program or level of service mandated by this act. Notwithstanding Section 17580 of the Government Code, unless otherwise specified in this act, the provisions of this act shall become operative on the same date that the act takes effect pursuant to the California Constitution.

CHAPTER 53

An act to amend Section 740.4 of, and to add Section 12827 to, the Public Utilities Code, relating to public utilities, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor April 26, 1994. Filed with
Secretary of State April 26, 1994.]

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

SECTION 1. Section 740.4 of the Public Utilities Code is amended to read:

740.4. (a) The commission shall authorize public utilities to engage in programs to encourage economic development.

(b) Reasonable expenses for economic development programs, as specified in this section, shall be allowed, to the extent of ratepayer benefit, when setting rates to be charged by public utilities electing to initiate these programs.

(c) Economic development activities may include, but not be limited to, the following:

(1) Community marketing and development.

(2) Technical assistance to support technology transfer.

(3) Market research.

(4) Site inventories.

(5) Industrial and commercial expansion and relocation assistance.

(6) Business retention and recruitment.

(7) Management assistance.

(d) This section shall not be interpreted to permit the funding of economic development activities that benefit any affiliated companies or parent holding companies beyond that which is authorized by law as of January 1, 1992.

(e) (1) This section shall not authorize the commission to establish discriminatory rates for the purpose of attracting or benefiting specific industries or business entities, except that incentives may be provided for the benefit of industries or business entities located within the boundaries of enterprise zones, economic incentive areas, or recycling market development zones in

accordance with the provisions of Chapter 12.8 (commencing with Section 7070) and Article 1 (commencing with Section 7080) of Chapter 12.9 of Division 7 of Title 1 of the Government Code, and Article 2 (commencing with Section 42145) of Chapter 3 of Part 3 of the Public Resources Code.

(2) The commission may apply the incentives authorized by this subdivision that benefit industries or business entities located within the boundaries of economic enterprise zones or incentive areas to attract a federal Department of Defense Finance and Accounting Service Center at the existing site of Norton Air Force Base in San Bernardino County. This paragraph shall become inoperative if the federal Department of Defense Finance and Accounting Service Center is not located upon the premises known as Norton Air Force Base in San Bernardino County and shall also become inoperative on February 1, 1994, if that facility has not been awarded to that site before that date.

(f) The commission may provide incentives pursuant to subdivision (e) to industries or business entities located within the boundaries of an enterprise zone that engage in activities in connection with the conversion of Fort Ord to other uses.

(g) It is the intent of the Legislature that the Public Utilities Commission, in implementing this chapter, shall allow rate recovery of expenses supporting economic development programs within the geographic area served by any public utility to the extent the utility incurring or proposing to incur, those expenses demonstrates that the ratepayers of the public utility will derive a benefit from those programs. Further, it is the intent of the Legislature that expenses for economic development programs incurred prior to the effective date of this chapter, which have not been previously authorized to be recovered in rates, shall not be subject to rate recovery.

SEC. 1.5. Section 740.4 of the Public Utilities Code is amended to read:

740.4. (a) The commission shall authorize public utilities to engage in programs to encourage economic development.

(b) Reasonable expenses for economic development programs, as specified in this section, shall be allowed, to the extent of ratepayer benefit, when setting rates to be charged by public utilities electing to initiate these programs.

(c) Economic development activities may include, but not be limited to, the following:

- (1) Community marketing and development.
- (2) Technical assistance to support technology transfer.
- (3) Market research.
- (4) Site inventories.
- (5) Industrial and commercial expansion and relocation assistance.
- (6) Business retention and recruitment.
- (7) Management assistance.
- (d) This section shall not be interpreted to permit the funding of

economic development activities that benefit any affiliated companies or parent holding companies beyond that which is authorized by law as of January 1, 1992.

(e) (1) This section shall not authorize the commission to establish discriminatory rates for the purpose of attracting or benefiting specific industries or business entities, except that incentives may be provided for the benefit of industries or business entities located within the boundaries of enterprise zones, economic incentive areas, economic development centers, or recycling market development zones in accordance with the provisions of Chapter 12.8 (commencing with Section 7070), Article 1 (commencing with Section 7080) of Chapter 12.9, and Chapter 12.97 (commencing with Section 7110) of Division 7 of Title 1 of the Government Code, and Article 2 (commencing with Section 42145) of Chapter 3 of Part 3 of the Public Resources Code.

(2) Notwithstanding paragraph (1), the commission may apply the incentives authorized by this subdivision to benefit industries and business entities located within the economic development center at the premises known as Norton Air Force Base in San Bernardino County until January 1, 1999.

(f) The commission may provide incentives pursuant to subdivision (e) to industries or business entities located within the boundaries of an enterprise zone that engage in activities in connection with the conversion of Fort Ord to other uses.

(g) It is the intent of the Legislature that the commission, in implementing this chapter, shall allow rate recovery of expenses supporting economic development programs within the geographic area served by any public utility to the extent the utility incurring, or proposing to incur, those expenses demonstrates that the ratepayers of the public utility will derive a benefit from those programs. Further, it is the intent of the Legislature that expenses for economic development programs which are incurred prior to the effective date of this chapter, which have not been previously authorized to be recovered in rates, shall not be subject to rate recovery.

SEC. 2. Section 12827 is added to the Public Utilities Code, to read:

12827. The board of a district that has owned and operated an electric distribution system for at least eight years and has a population of 250,000 or more may engage in programs to encourage economic development that benefits its ratepayers.

SEC. 3. Section 1.5 of this bill incorporates amendments to Section 740.4 of the Public Utilities Code proposed by both this bill and A.B. 2 of the 1993-94 First Extraordinary Session. It shall only become operative if (1) both bills are enacted and become effective on or before January 1, 1995, but this bill becomes operative first, (2) each bill amends Section 740.4 of the Public Utilities Code, and (3) this bill is enacted after A.B. 2 of the 1993-94 First Extraordinary Session, in which case Section 740.4 of the Public Utilities Code, as

amended by Section 1 of this bill, shall remain operative only until the operative date of A.B. 2 of the 1993-94 First Extraordinary Session, at which time Section 1.5 of this bill shall become operative.

SEC. 4. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to facilitate economic development to improve the economy at the earliest possible time, it is necessary for this act to take effect immediately.

CHAPTER 54

An act to amend Items 3860-101-786 and 3860-101-790 of Section 2.00 of the Budget Act of 1993 (Chapter 55 of the Statutes of 1993), relating to resources, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor April 26, 1994. Filed with Secretary of State April 26, 1994.]

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

SECTION 1. Item 3860-101-786 of Section 2.00 of the Budget Act of 1993 (Chapter 55 of the Statutes of 1993) is amended to read:

3860-101-786—For local assistance, Department of Water Resources, Program 10.10—Water Management Planning, payable from the California Wildlife, Coastal, Park Land Conservation Fund of 1988 for the California Wildlife, Coastal, and Park Land Conservation Program	743,091
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SEC. 2. Item 3860-101-790 of Section 2.00 of the Budget Act of 1993 (Chapter 55 of the Statutes of 1993) is amended to read:

3860-101-790—For local assistance, Department of Water Resources, Program 10.29—Conservation Loans, payable from the Water Conservation Bond Fund of 1988.....	30,726,307
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Provisions:

1. Of the amount appropriated in this item, \$11,726,307 shall be available for loans from the Water Conservation and Groundwater Recharge Account for the purposes of paragraphs (1) and (3) of subdivision (c) of Section 3 of Chapter 1049 of the Statutes of 1992, and paragraph (1) of subdivision (b) of, and paragraphs (2) and

- (8) of subdivision (c) of, Section 1 of Chapter 10 of the 1991-92 First Extraordinary Session.
2. Of the amount appropriated in this item, \$5,000,-000 shall be available for loans from the Local Water Projects Assistance Account for the purpose of paragraph (2) of subdivision (b) of Section 3 of Chapter 1049 of the Statutes of 1992.

SEC. 3. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to enable the Department of Water Resources, as soon as possible, to make grants from the California Wildlife, Coastal, and Park Land Conservation Fund of 1988 and loans from the 1988 Water Conservation Fund, thereby protecting the public health and safety, it is necessary that this act take effect immediately.

CHAPTER 55

An act to amend Sections 311.2, 311.3, 311.4, 311.11, and 312.3 of the Penal Code, relating to sexual exploitation of children.

[Approved by Governor April 26, 1994. Filed with Secretary of State April 26, 1994.]

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

SECTION 1. Section 311.2 of the Penal Code is amended to read:

311.2. (a) Every person who knowingly sends or causes to be sent, or brings or causes to be brought, into this state for sale or distribution, or in this state possesses, prepares, publishes, produces, or prints, with intent to distribute or to exhibit to others, or who offers to distribute, distributes, or exhibits to others, any obscene matter is for a first offense, guilty of a misdemeanor. If the person has previously been convicted of any violation of this section, the court may, in addition to the punishment authorized in Section 311.9, impose a fine not exceeding fifty thousand dollars (\$50,000).

(b) Every person who knowingly sends or causes to be sent, or brings or causes to be brought, into this state for sale or distribution, or in this state possesses, prepares, publishes, produces, develops, duplicates, or prints, with intent to distribute or to exhibit to, or to exchange with, others for commercial consideration, or who offers to distribute, distributes, or exhibits to, or exchanges with, others for commercial consideration, any obscene matter, knowing that the matter depicts a person under the age of 18 years personally engaging in or personally simulating sexual conduct, as defined in Section 311.4, is guilty of a felony and shall be punished by

imprisonment in state prison for two, three, or six years, or by a fine not exceeding one hundred thousand dollars (\$100,000), in the absence of a finding that the defendant would be incapable of paying such a fine, or by both such fine and imprisonment.

(c) Every person who knowingly sends or causes to be sent, or brings or causes to be brought, into this state for sale or distribution, or in this state possesses, prepares, publishes, produces, develops, duplicates, or prints, with intent to distribute or to exhibit to, or to exchange with, a person 18 years of age or older, or who offers to distribute, distributes, or exhibits to, or exchanges with, a person 18 years of age or older any matter, knowing that the matter depicts a person under the age of 18 years personally engaging in or personally simulating sexual conduct, as defined in Section 311.4, is guilty of a misdemeanor and shall be punished by imprisonment in the county jail for up to one year, or by a fine not exceeding two thousand dollars (\$2,000), or by both such fine and imprisonment. It is not necessary to prove commercial consideration or that the matter is obscene in order to establish a violation of this subdivision. If a person has been previously convicted of a violation of this subdivision, he or she is guilty of a felony.

(d) Every person who knowingly sends or causes to be sent, or brings or causes to be brought, into this state for sale or distribution, or in this state possesses, prepares, publishes, produces, develops, duplicates, or prints, with intent to distribute or to exhibit to, or to exchange with, a person under 18 years of age, or who offers to distribute, distributes, or exhibits to, or exchanges with, a person under 18 years of age any matter, knowing that the matter depicts a person under the age of 18 years personally engaging in or personally simulating sexual conduct, as defined in Section 311.4, is guilty of a felony. It is not necessary to prove commercial consideration or that the matter is obscene in order to establish a violation of this subdivision.

(e) Subdivisions (a) to (d), inclusive, shall not apply to the activities of law enforcement and prosecuting agencies in the investigation and prosecution of criminal offenses or to legitimate medical, scientific, or educational activities, or to lawful conduct between spouses.

(f) This section shall not apply to matter which depicts a child under the age of 18, which child is legally emancipated, including lawful conduct between spouses when one or both are under the age of 18.

(g) It does not constitute a violation of this section for a telephone corporation, as defined by Section 234 of the Public Utilities Code, to carry or transmit messages described in this chapter or perform related activities in providing telephone services.

SEC. 2. Section 311.3 of the Penal Code is amended to read:

311.3. (a) A person is guilty of sexual exploitation of a child when he or she knowingly develop, duplicate, print, or exchange any film, photograph, video tape, negative, or slide in which a person under

the age of 18 years engaged in an act of sexual conduct.

(b) As used in this section "sexual conduct" means any of the following:

(1) Sexual intercourse, including genital-genital, oral-genital, anal-genital, or oral-anal, whether between persons of the same or opposite sex or between humans and animals.

(2) Penetration of the vagina or rectum by any object.

(3) Masturbation, for the purpose of sexual stimulation of the viewer.

(4) Sadoomasochistic abuse for the purpose of sexual stimulation of the viewer.

(5) Exhibition of the genitals, pubic or rectal areas of any person for the purpose of sexual stimulation of the viewer.

(6) Defecation or urination for the purpose of sexual stimulation of the viewer.

(c) Subdivision (a) shall not apply to the activities of law enforcement and prosecution agencies in the investigation and prosecution of criminal offenses or to legitimate medical, scientific, or educational activities, or to lawful conduct between spouses.

(d) Every person who violates subdivision (a) is punishable by a fine of not more than two thousand dollars (\$2,000) or by imprisonment in the county jail for not more than one year, or by both such fine and imprisonment. If such person has been previously convicted of a violation of subdivision (a) or any section of this chapter, he or she is punishable by imprisonment in the state prison.

(e) The provisions of this section shall not apply to an employee of a commercial film developer who is acting within the scope of his employment and in accordance with the instructions of his employer, provided that the employee has no financial interest in the commercial developer by which he is employed.

SEC. 3. Section 311.4 of the Penal Code is amended to read:

311.4. (a) Every person who, with knowledge that a person is a minor, or who, while in possession of any facts on the basis of which he or she should reasonably know that the person is a minor, hires, employs, or uses the minor to do or assist in doing any of the acts described in Section 311.2, is, for a first offense, guilty of a misdemeanor. If the person has previously been convicted of a violation of this section, the court may, in addition to the punishment authorized in Section 311.9, impose a fine not exceeding fifty thousand dollars (\$50,000).

(b) Every person who, with knowledge that a person is a minor under the age of 18 years, or who, while in possession of any facts on the basis of which he or she should reasonably know that the person is a minor under the age of 18 years, knowingly promotes, employs, uses, persuades, induces, or coerces a minor under the age of 18 years, or any parent or guardian of a minor under the age of 18 years under his or her control who knowingly permits the minor, to engage in or assist others to engage in either posing or modeling alone or with others for purposes of preparing a film, photograph, negative,

slide, or live performance involving sexual conduct by a minor under the age of 18 years alone or with other persons or animals, for commercial purposes, is guilty of a felony and shall be punished by imprisonment in the state prison for three, six, or eight years.

(c) Every person who, with knowledge that a person is a minor under the age of 18 years, or who, while in possession of any facts on the basis of which he or she should reasonably know that the person is a minor under the age of 18 years, knowingly promotes, employs, uses, persuades, induces, or coerces a minor under the age of 18 years, or any parent or guardian of a minor under the age of 18 years under his or her control who knowingly permits the minor, to engage in or assist others to engage in either posing or modeling alone or with others for purposes of preparing a film, photograph, negative, slide, or live performance involving sexual conduct by a minor under the age of 18 years alone or with other persons or animals, is guilty of a felony. It shall not be necessary to prove commercial purposes in order to establish a violation of this subdivision.

(d) As used in subdivisions (b) and (c), "sexual conduct" means any of the following, whether actual or simulated: sexual intercourse, oral copulation, anal intercourse, anal oral copulation, masturbation, bestiality, sexual sadism, sexual masochism, penetration of the vagina or rectum by any object in a lewd or lascivious manner, exhibition of the genitals, pubic, or rectal area for the purpose of sexual stimulation of the viewer, any lewd or lascivious sexual act as defined in Section 288, or excretory functions performed in a lewd or lascivious manner, whether or not any of the above conduct is performed alone or between members of the same or opposite sex or between humans and animals. An act is simulated when it gives the appearance of being sexual conduct.

(e) This section shall not apply where the minor is legally emancipated, including lawful conduct between spouses when one or both are under the age of 18.

(f) In every prosecution under this section involving a minor under the age of 14 years at the time of the offense, the age of the victim shall be pled and proven for the purpose of the enhanced penalty provided in Section 647a. Failure to plead and prove that the victim was under the age of 14 years at the time of the offense shall not be a bar to prosecution under this section if it is proven that the victim was under the age of 18 years at the time of the offense.

SEC. 4. Section 311.11 of the Penal Code is amended to read:

311.11. (a) Every person who knowingly possesses or controls any matter, the production of which involves the use of a person under the age of 18 years, knowing that the matter depicts a person under the age of 18 years personally engaging in or simulating sexual conduct, as defined in subdivision (d) of Section 311.4, is guilty of a public offense and shall be punished by imprisonment in the county jail for up to one year, or by a fine not exceeding two thousand five hundred dollars (\$2,500), or by both the fine and imprisonment.

(b) If a person has been previously convicted of a violation of this

section, he or she is guilty of a felony and shall be punished by imprisonment of two, four, or six years.

(c) It is not necessary to prove that the matter is obscene in order to establish a violation of this section.

(d) For purposes of this section, matter as defined in subdivision (b) of Section 311, also includes developed or undeveloped film, negatives, photocopies, filmstrips, slides, and videotapes, the production of which involves the use of a child under the age of 18 years. This section shall not apply to drawings, figurines, statues, or any film rated by the Motion Picture Association of America, nor shall it apply to live or recorded telephone messages when transmitted, disseminated, or distributed as part of a commercial transaction.

SEC. 5. Section 312.3 of the Penal Code is amended to read:

312.3. (a) Matter which depicts a person under the age of 18 years personally engaging in or personally simulating sexual conduct as defined in Section 311.4 and which is in the possession of any city, county, city and county, or state official or agency is subject to forfeiture pursuant to this section.

(b) An action to forfeit matter described in subdivision (a) may be brought by the Attorney General, the district attorney, county counsel, or the city attorney. Proceedings shall be initiated by a petition of forfeiture filed in the superior court of the county in which the matter is located.

(c) The prosecuting agency shall make service of process of a notice regarding that petition upon every individual who may have a property interest in the alleged proceeds, which notice shall state that any interested party may file a verified claim with the superior court stating the amount of their claimed interest and an affirmation or denial of the prosecuting agency's allegation. If the notices cannot be given by registered mail or personal delivery, the notice shall be published for at least three successive weeks in a newspaper of general circulation in the county where the property is located. All notices shall set forth the time within which a claim of interest in the property seized is required to be filed.

(d) (1) Any person claiming an interest in the property or proceeds may, at any time within 30 days from the date of the first publication of the notice of seizure, or within 30 days after receipt of actual notice, file with the superior court of the county in which the action is pending a verified claim stating his or her interest in the property or proceeds. A verified copy of the claim shall be given by the claimant to the Attorney General or district attorney, county counsel, or city attorney, as appropriate.

(2) If, at the end of the time set forth in paragraph (1), an interested person has not filed a claim, the court, upon motion, shall declare that the person has defaulted upon his or her alleged interest, and it shall be subject to forfeiture upon proof of compliance with subdivision (c).

(e) The burden shall be on the petitioner to prove beyond a

reasonable doubt that matter is subject to forfeiture pursuant to this section.

(f) It shall not be necessary to seek or obtain a criminal conviction prior to the entry of an order for the destruction of matter pursuant to this section. Any matter described in subdivision (a) which is in the possession of any city, county, city and county, or state official or agency, including found property, or property obtained as the result of a case in which no trial was had or which has been disposed of by way of dismissal or otherwise than by way of conviction may be ordered destroyed.

(g) A court order for destruction of matter described in subdivision (a) may be carried out by a police or sheriff's department or by the Department of Justice. The court order shall specify the agency responsible for the destruction.

(h) As used in this section, "matter" means any book, magazine, newspaper, or other printed or written material or any picture, drawing, photograph, motion picture, or other pictorial representation, or any statue or other figure, or any recording, transcription or mechanical, chemical or electrical reproduction, or any other articles, equipment, machines, or materials.

(i) This section shall not apply where the minor depicted is lawfully emancipated, including lawful conduct between spouses when one or more are under the age of 18.

(j) It shall be a defense in any forfeiture proceeding that the matter seized was lawfully possessed in aid of legitimate scientific or educational purposes.

SEC. 6. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution for those costs which may be incurred by a local agency or school district because this act creates a new crime or infraction, changes the definition of a crime or infraction, changes the penalty for a crime or infraction, or eliminates a crime or infraction.

However, notwithstanding Section 17610 of the Government Code, if the Commission on State Mandates determines that this act contains other costs mandated by the state, reimbursement to local agencies and school districts for these costs shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code. If the statewide cost of the claim does not exceed one million dollars (\$1,000,000), reimbursement shall be made from the State Mandates Claims Fund.

Notwithstanding Section 17580 of the Government Code, unless otherwise specified in this act, the provisions of this act shall become operative on the same date that the act takes effect pursuant to the California Constitution.

CHAPTER 56

An act to amend Section 3701 of the Labor Code, relating to workers' compensation.

[Approved by Governor April 26, 1994. Filed with Secretary of State April 26, 1994.]

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

SECTION 1. Section 3701 of the Labor Code is amended to read:

3701. (a) Each year every private self-insuring employer shall secure incurred liabilities for the payment of compensation and the performance of the obligations of employers imposed under this chapter by renewing the prior year's security deposit or by making a new deposit of security. If a new deposit is made, it shall be posted within 60 days of the filing of the self-insured employer's annual report with the director, but in no event later than May 1.

(b) The minimum deposit shall be 125 percent of the private self-insurer's estimated future liability for compensation to secure payment of compensation plus 10 percent of the private self-insurer's estimated future liability for compensation to secure payment of all administrative and legal costs relating to or arising from the employer's self-insuring. In no event shall the security deposit for the incurred liabilities for compensation be less than two hundred twenty thousand dollars (\$220,000).

(c) In determining the amount of the deposit required to secure incurred liabilities for the payment of compensation and the performance of obligations of a self-insured employer imposed under this chapter, the director shall offset estimated future liabilities for the same claims covered by a self-insured plan under the Longshore and Harbor Workers' Compensation Act (33 U.S.C. Sec. 901 et seq.), but in no event shall the offset exceed the estimated future liabilities for the claims under this chapter.

(d) The director may only accept as security, and the employer shall deposit as security, cash, securities, surety bonds, or irrevocable letters of credit in any combination the director, in his or her discretion, deems adequate security. The current deposit shall include any amounts covered by terminated surety bonds or excess insurance policies, as shall be set forth in regulations adopted by the director pursuant to Section 3702.10.

(e) Surety bonds, irrevocable letters of credit, and documents showing issuance of any irrevocable letter of credit shall be deposited with, and be in a form approved by, the director, shall be exonerated only according to its terms and, in no event, by the posting of additional security.

(f) The director may accept as security a joint security deposit that secures an employer's obligation under this chapter and that also secures that employer's obligations under the federal Longshore and

Harbor Workers' Compensation Act.

(g) The liability of the Self-Insurers' Security Fund, with respect to any claims brought under both this chapter and under the federal Longshore and Harbor Workers' Compensation Act, to pay for shortfalls in a security deposit shall be limited to the amount of claim liability owing the employee under this chapter offset by the amount of any claim liability owing under the Longshore and Harbor Workers' Compensation Act, but in no event shall the liability of the fund exceed the claim liability under this chapter. The employee shall be entitled to pursue recovery under either or both the state and federal programs.

(h) Securities shall be deposited on behalf of the director by the self-insured employer with the Treasurer. Securities shall be accepted by the Treasurer for deposit and shall be withdrawn only upon written order of the director.

(i) Cash shall be deposited in a financial institution approved by the director, and in the account assigned to the director. Cash shall be withdrawn only upon written order of the director.

(j) Upon the sending by the director of a request to renew, request to post, or request to increase or decrease a security deposit, a perfected security interest is created in the private self-insured's assets in favor of the director to the extent of any then unsecured portion of the self-insured's incurred liabilities. That perfected security interest is transferred to any cash or securities thereafter posted by the private self-insured with the director and is released only upon either of the following:

(1) The acceptance by the director of a surety bond or irrevocable letter of credit for the full amount of the incurred liabilities for the payment of compensation.

(2) The return of cash or securities by the director.

The private self-insured employer loses all right, title, and interest in, and any right to control, all assets or obligations posted or left on deposit as security. The director may liquidate the deposit as provided in Section 3701.5 and apply it to the self-insured employer's incurred liabilities either directly or through the Self-Insurers' Security Fund.

CHAPTER 57

An act to amend Section 361.5 of the Welfare and Institutions Code, relating to minors.

[Approved by Governor April 26, 1994. Filed with Secretary of State April 26, 1994.]

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

SECTION 1. Section 361.5 of the Welfare and Institutions Code is amended to read:

361.5. (a) Except as provided in subdivision (b), whenever a minor is removed from a parent's or guardian's custody, the juvenile court shall order the probation officer to provide child welfare services to the minor and the minor's parents or guardians for the purpose of facilitating reunification of the family within a maximum time period not to exceed 12 months. The court also shall make findings pursuant to subdivision (a) of Section 366. When counseling or other treatment services are ordered, the parent or guardian shall be ordered to participate in those services, unless the parent's or guardian's participation is deemed by the court to be inappropriate or potentially detrimental to the child. Services may be extended up to an additional six months if it can be shown that the objectives of the service plan can be achieved within the extended time period. Physical custody of the minor by the parents or guardians during the 18-month period shall not serve to interrupt the running of the period. If at the end of the 18-month period, a child cannot be safely returned to the care and custody of a parent or guardian without court supervision, but the child clearly desires contact with the parent or guardian, the court shall take the child's desire into account in devising a permanency plan.

Except in cases where, pursuant to subdivision (b), the court does not order reunification services, the court shall inform the parent or parents of Section 366.25 or 366.26 and shall specify that the parent's or parents' parental rights may be terminated.

(b) Reunification services need not be provided to a parent or guardian described in this subdivision when the court finds, by clear and convincing evidence, any of the following:

(1) That the whereabouts of the parent or guardian is unknown. A finding pursuant to this paragraph shall be supported by an affidavit or by proof that a reasonably diligent search has failed to locate the parent or guardian. The posting or publication of notices is not required in that search.

(2) That the parent or guardian is suffering from a mental disability that is described in Chapter 2 (commencing with Section 7820) of Part 4 of Division 12 of the Family Code and that renders him or her incapable of utilizing those services.

(3) That the minor had been previously adjudicated a dependent

pursuant to any subdivision of Section 300 as a result of physical or sexual abuse, that following that adjudication the minor had been removed from the custody of his or her parent or guardian pursuant to Section 361, that the minor has been returned to the custody of the parent or parents or guardian or guardians from whom the minor had been taken originally, and that the minor is being removed pursuant to Section 361, due to additional physical or sexual abuse. However, this section is not applicable if the jurisdiction of the juvenile court has been dismissed prior to the additional abuse.

(4) That the parent or guardian of the minor has been convicted of causing the death of another child through abuse or neglect.

(5) That the minor was brought within the jurisdiction of the court under subdivision (e) of Section 300 because of the conduct of that parent or guardian.

(6) That the minor has been adjudicated a dependent pursuant to any subdivision of Section 300 as a result of severe sexual abuse or the infliction of severe physical harm by a parent or guardian, as defined in this subdivision, and the court makes a factual finding that it would not benefit the child to pursue reunification services with the offending parent or guardian.

A finding of severe sexual abuse, for the purposes of this subdivision, may be based on, but is not limited to, sexual intercourse or stimulation involving genital-genital, oral-genital, anal-genital, or oral-anal contact, whether between the parent or guardian and the child, or between the child and another person or animal with the actual or implied consent of, and for the financial gain or other advantage of, the parent or guardian; or the penetration or manipulation of the child's genital organs or rectum by any animate or inanimate object, for the sexual gratification of the parent or guardian, or for the sexual gratification of another person with the actual or implied consent of, and for the financial gain or other advantage of, the parent or guardian.

A finding of the infliction of severe physical harm, for the purposes of this subdivision, may be based on, but is not limited to, deliberate and serious injury inflicted to or on a child's body by an act or omission of the parent or guardian, or of another individual or animal with the consent of the parent or guardian; deliberate and torturous confinement of the child in a closed space; or any other torturous act or omission which would be reasonably understood to cause serious emotional damage.

(7) That the minor was conceived by means of the commission of an offense listed in Section 288 or 288.5 of the Penal Code, or by an act committed outside this state which if committed in this state would constitute such an offense. This paragraph only applies to the parent who perpetrated the offense or act.

(c) In deciding whether to order reunification in any case in which this section applies, the court shall hold a dispositional hearing. The probation officer shall prepare a report which discusses whether reunification services shall be provided. When it is alleged, pursuant

to paragraph (2) of subdivision (b), that the parent is incapable of utilizing services due to mental disability, the court shall order reunification services unless competent evidence from mental health professionals establishes that, even with the provision of services, the parent is unlikely to be capable of adequately caring for the child within 12 months.

When paragraph (3), (4), or (5), inclusive, of subdivision (b) is applicable, the court shall not order reunification unless it finds that, based on competent testimony, those services are likely to prevent reabuse or continued neglect of the child or that failure to try reunification will be detrimental to the child because the child is closely and positively attached to that parent. The probation officer shall investigate the circumstances leading to the removal of the minor and advise the court whether there are circumstances which indicate that reunification is likely to be successful or unsuccessful and whether failure to order reunification is likely to be detrimental to the child.

The failure of the parent to respond to previous services, the fact that the child was abused while the parent was under the influence of drugs or alcohol, a past history of violent behavior, or testimony by a competent professional that the parent's behavior is unlikely to be changed by services are among the factors indicating that reunification services are unlikely to be successful. The fact that a parent or guardian is no longer living with an individual who severely abused the minor may be considered in deciding that reunification services are likely to be successful, provided that the court shall consider any pattern of behavior on the part of the parent that has exposed the child to repeated abuse.

The court shall not order reunification for a parent who perpetrated an offense or act specified in paragraph (7) of subdivision (b) unless the court finds, by clear and convincing evidence, that reunification is in the best interest of the minor.

(d) If reunification services are not ordered pursuant to paragraph (1) of subdivision (b) and the whereabouts of a parent become known within six months of the out-of-home placement of the minor, the court shall order the probation officer to provide family reunification services in accordance with this subdivision. However, the time limits specified in subdivision (a) and Section 366.25 are not tolled by the parent's absence.

(e) (1) If the parent or guardian is incarcerated or institutionalized, the court shall order reasonable services unless the court determines, by clear and convincing evidence, those services would be detrimental to the minor. In determining detriment, the court shall consider the age of the child, the degree of parent-child bonding, the length of the sentence, the nature of the treatment, the nature of crime or illness, the degree of detriment to the child if services are not offered and, for minors 10 years of age or older, the minor's attitude toward the implementation of family reunification services, and any other appropriate factors. Reunification services

are subject to the 18-month limitation imposed in subdivision (a). Services may include, but shall not be limited to, all of the following:

(A) Maintaining contact between parent and child through collect phone calls.

(B) Transportation services, where appropriate.

(C) Visitation services, where appropriate.

(D) Reasonable services to extended family members or foster parents providing care for the child if the services are not detrimental to the child.

An incarcerated parent may be required to attend counseling, parenting classes, or vocational training programs as part of the service plan if these programs are available.

(2) The presiding judge of the juvenile court of each county may convene representatives of the county welfare department, the sheriff's department, and other appropriate entities for the purpose of developing and entering into protocols for ensuring the notification, transportation, and presence of an incarcerated or institutionalized parent at all court hearings involving proceedings affecting the minor pursuant to Section 2625 of the Penal Code.

(3) Notwithstanding any other provision of law, if the incarcerated parent is a woman seeking to participate in the community treatment program operated by the Department of Corrections pursuant to Chapter 4 (commencing with Section 3410) of Title 2 of Part 3 of the Penal Code, the court shall determine whether the parent's participation in a program is in the child's best interest and whether it is suitable to meet the needs of the parent and child.

(f) If a court, pursuant to paragraph (2), (3), (4), (5), (6), or (7) of subdivision (b) or paragraph (1) of subdivision (e), does not order reunification services, it shall conduct a hearing pursuant to Section 366.25 or 366.26 within 120 days of the dispositional hearing. However, the court shall not schedule a hearing so long as the other parent is being provided reunification services pursuant to subdivision (a). The court may continue to permit the parent to visit the minor unless it finds that visitation would be detrimental to the minor.

(g) Whenever a court orders that a hearing shall be held pursuant to Section 366.25 or 366.26 it shall direct the agency supervising the child and the licensed county adoption agency, or the State Department of Social Services when it is acting as an adoption agency in counties which are not served by a county adoption agency, to prepare an assessment which shall include:

(1) Current search efforts for an absent parent or parents.

(2) A review of the amount of and nature of any contact between the minor and his or her parents since the time of placement.

(3) An evaluation of the minor's medical, developmental, scholastic, mental, and emotional status.

(4) A preliminary assessment of the eligibility and commitment of any identified prospective adoptive parent or guardian, particularly

the caretaker, to include a social history including screening for criminal records and prior referrals for child abuse or neglect, the capability to meet the minor's needs, and the understanding of the legal and financial rights and responsibilities of adoption and guardianship.

(5) The relationship of the minor to any identified prospective adoptive parent or guardian, the duration and character of the relationship, the motivation for seeking adoption or guardianship, and a statement from the minor concerning placement and the adoption or guardianship, unless the minor's age or physical, emotional, or other condition precludes his or her meaningful response, and if so, a description of the condition.

(6) An analysis of the likelihood that the minor will be adopted if parental rights are terminated.

(h) In determining whether reunification services will benefit the child pursuant to paragraph (6) of subdivision (b), the court shall consider any information it deems relevant, including the following factors:

(1) The specific act or omission comprising the severe sexual abuse or the severe physical harm inflicted on the child.

(2) The circumstances under which the abuse or harm was inflicted on the child.

(3) The severity of the emotional trauma suffered by the child.

(4) Any history of abuse of other children by the offending parent or guardian.

(5) The likelihood that the child may be safely returned to the care of the offending parent or guardian within 18 months with no continuing supervision.

(6) Whether or not the child desires to be reunified with the offending parent or guardian.

(i) The court shall read into the record the basis for a finding of severe sexual abuse or the infliction of severe physical harm under paragraph (6) of subdivision (b), and shall also specify the factual findings used to determine that the provision of reunification services to the offending parent or guardian would not benefit the child.

CHAPTER 58

An act to amend Sections 636, 34501.12, 34505.5, 34505.6, and 40000.21 of, and to add and repeal Section 34505.9 of, the Vehicle Code, relating to vehicles, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor April 26, 1994. Filed with
Secretary of State April 26, 1994.]

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

SECTION 1. Section 636 of the Vehicle Code is amended to read:

636. A "trailer bus" is a trailer or semitrailer designed, used, or maintained for the transportation of more than 15 persons, including the driver, and includes a connected towing motor vehicle that is a motor truck, truck tractor, or bus.

SEC. 2. Section 34501.12 of the Vehicle Code is amended to read:

34501.12. (a) Notwithstanding Section 408, as used in this section and Sections 34505.5 and 34505.6, "motor carrier" means the registered owner of any vehicle described in subdivision (a), (b), (e), (f), or (g) of Section 34500, except in the following circumstances:

(1) The registered owner leases the vehicle to another person for a term of more than four months. If the lease is for more than four months, the lessee is the motor carrier.

(2) The registered owner operates the vehicle exclusively under the authority and direction of another person. If the operation is exclusively under the authority and direction of another person, that other person may assume the responsibilities as the motor carrier. If not so assumed, the registered owner is the motor carrier. A person who assumes the motor carrier responsibilities of another pursuant to subdivision (b) shall provide to that other person whose motor carrier responsibility is so assumed, a completed copy of a department form documenting that assumption, stating the period for which responsibility is assumed, and signed by an agent of the assuming person. A legible copy shall be carried in each vehicle or combination of vehicles operated on the highway during the period for which responsibility is assumed. That copy shall be presented upon request by any authorized employee of the department. The original completed departmental form documenting the assumption shall be provided to the department within 30 days of the assumption. If the assumption of responsibility is terminated, the person who had assumed responsibility shall so notify the department in writing within 30 days of the termination.

(b) (1) A motor carrier may combine two or more terminals for purposes of the inspection required by subdivision (d) subject to all of the following conditions:

(A) The carrier identifies to the department, in writing, each

terminal proposed to be included in the combination of terminals for purposes of this subdivision prior to an inspection of the designated terminal pursuant to subdivision (d).

(B) The carrier provides the department, prior to the inspection of the designated terminal pursuant to subdivision (d) a written listing of all its vehicles of a type subject to subdivision (a), (b), (e), (f), or (g) of Section 34500 which are based at each of the terminals combined for purposes of this subdivision. The listing shall specify the number of vehicles of each type at each terminal.

(C) The carrier provides to the department at the designated terminal during the inspection all maintenance records and driver records and a representative sample of vehicles based at each of the terminals included within the combination of terminals.

(2) If the carrier fails to provide the maintenance records, driver records, and representative sample of vehicles pursuant to subparagraph (C) of paragraph (1), the department shall assign the carrier an unsatisfactory terminal rating and require a reinspection to be conducted pursuant to subdivision (h).

(3) For purposes of this subdivision, the following terms have the meanings given:

(A) "Driver records" includes pull notice system records, driver proficiency records, and driver timekeeping records.

(B) "Maintenance records" includes all required maintenance, lubrication, and repair records and drivers' daily vehicle condition reports.

(C) "Representative sample" means the following, applied separately to the carrier's fleet of motor trucks and truck tractors and its fleet of trailers:

Fleet Size	Representative Sample
1 or 2	All
3 to 8	3
9 to 15	4
16 to 25	6
26 to 50	9
51 to 90	14
91 or more	20

(c) Each motor carrier who, in this state, directs the operation of, or maintains, any vehicle of a type described in subdivision (a) shall designate one or more terminals, as defined in Section 34515, in this state where vehicles can be inspected by the department pursuant to paragraph (3) of subdivision (a) of Section 34501 and where vehicle inspection and maintenance records and driver records will be made available for inspection.

(d) The department shall inspect, at least every 25 months, every terminal, as defined in Section 34515, of any motor carrier who, at any time, operates any vehicle described in subdivision (a).

As used in this section and in Sections 34505.5 and 34505.6, subdivision (f) of Section 34500 includes only those combinations where the gross vehicle weight rating (GVWR) of the towing vehicle exceeds 10,100 pounds, and subdivision (g) of Section 34500 includes only those vehicles transporting hazardous material for which the display of placards is required pursuant to Section 27903, a license is required pursuant to Section 32000.5, or for which hazardous waste hauler registration is required pursuant to Section 25163 of the Health and Safety Code. Historical vehicles, as described in Section 5004, vehicles which display special identification plates in accordance with Section 5011, implements of husbandry, as defined in Chapter 1 (commencing with Section 36000) of Division 16, and vehicles owned or operated by an agency of the federal government are not subject to this section or to Sections 34505.5 and 34505.6.

(e) (1) It is the responsibility of the motor carrier to schedule with the department the inspection required by subdivision (d). The motor carrier shall submit an application form supplied by the department, accompanied by the required fee. The fee, which is nonrefundable, is four hundred dollars (\$400) per terminal, except in the case of an owner-operator, as defined in Section 3557 of the Public Utilities Code, or a nonregulated motor carrier who owns, leases, or otherwise operates not more than one heavy power unit and not more than three towed vehicles described in subdivision (a), (b), (e), (f), or (g) of Section 34500, for which the fee shall be one hundred dollars (\$100). Federal, state, and local public entities are exempt from the fee requirements of this section.

(2) Except as provided in paragraph (4), the inspection term for each inspected terminal of a motor carrier shall expire 25 months from the date the terminal receives a satisfactory compliance rating, as specified in subdivision (h). Applications and fees for subsequent inspections shall be submitted not earlier than nine months and not later than seven months before the expiration of the motor carrier's then current inspection term. If the motor carrier has submitted the inspection application and the required accompanying fees, but the department is unable to complete the inspection within the 25-month inspection period, then no additional fee shall be required for the inspection requested in the original application.

(3) All fees collected pursuant to this subdivision shall be deposited in the Motor Vehicle Account in the State Transportation Fund. An amount equal to the fees collected shall be available for appropriation by the Legislature from the Motor Vehicle Account to the department for the purpose of conducting truck terminal inspections and for the additional roadside safety inspections required by Section 34514.

(4) To avoid the scheduling of a renewal terminal inspection pursuant to this section during a carrier's seasonal peak business periods, the current inspection term of a terminal that has paid all required fees and has been rated satisfactory in its last inspection may be reduced by not more than nine months if a written request

is submitted by the carrier to the department at least four months prior to the desired inspection month, or at the time of payment of renewal inspection fees in compliance with paragraph (2), whichever date is earlier. A motor carrier may request this adjustment of the inspection term during any inspection cycle. A request made pursuant to this paragraph shall not result in a fee proration and does not relieve the carrier from the requirements of paragraph (2).

(f) It is unlawful for a motor carrier to operate any vehicle subject to this section without having submitted an inspection application and the required fees to the department as required by subdivision (e) or (h).

(g) On and after July 1, 1992, it is unlawful for any motor carrier to operate any vehicle subject to this section after submitting an inspection application to the department, without the inspection described in subdivision (d) having been performed and a safety compliance report having been issued to the motor carrier within the 25-month inspection period or within 60 days immediately preceding the inspection period.

(h) (1) Any inspected terminal that receives an unsatisfactory compliance rating shall be reinspected within 120 days after the issuance of the unsatisfactory compliance rating.

(2) A terminal's first required reinspection under this subdivision shall be without charge unless one or more of the following is established:

(A) The motor carrier's operation presented an imminent danger to public safety.

(B) The motor carrier was not in compliance with the requirement to enroll all drivers in the pull notice program pursuant to Section 1808.1.

(C) The motor carrier failed to provide all required records and vehicles for a consolidated inspection pursuant to subdivision (b).

(3) If the unsatisfactory rating was assigned for any of the reasons set forth in paragraph (2), the carrier shall submit the required fee as provided in paragraph (4).

(4) Applications for reinspection pursuant to paragraph (3) or for second and subsequent consecutive reinspections under this subdivision shall be accompanied by the fee specified in paragraph (1) of subdivision (e) and shall be filed within 60 days of issuance of the unsatisfactory compliance rating. The reinspection fee is nonrefundable.

(5) When a motor carrier's Public Utilities Commission operating authority is suspended as a result of an unsatisfactory compliance rating, the department shall conduct no reinspection until requested to do so by the Public Utilities Commission.

(i) It is the intent of the Legislature that the department make its best efforts to inspect terminals within the resources provided. In the interest of the state, the Commissioner of the California Highway Patrol may extend for a period not to exceed six months the

inspection terms beginning prior to July 1, 1990.

(j) To encourage truck terminal operators to attain continuous satisfactory compliance ratings, the department may establish and implement an incentive program consisting of the following:

(1) After the second consecutive satisfactory compliance rating assigned as a result of an inspection conducted pursuant to subdivision (d), and each consecutive satisfactory compliance rating thereafter, an appropriate certificate, denoting the number of consecutive satisfactory ratings, shall be awarded to the terminal.

(2) Unless the department's evaluation of the motor carrier's safety record indicates a declining level of compliance, a terminal that has attained two consecutive satisfactory compliance ratings assigned following inspections conducted pursuant to subdivision (d) is eligible for an administrative review in lieu of the next required inspection. An administrative review shall consist of all of the following:

(A) A signed request by a terminal management representative requesting the administrative review in lieu of the required inspection containing a promise to continue to maintain a satisfactory level of compliance for the next 25-month inspection term.

(B) A review with a terminal management representative of the carrier's record as contained in the department's files.

(C) Absent any cogent reasons to the contrary, upon completion of subparagraphs (A) and (B), the safety compliance rating assigned during the last required inspection shall be extended for 25 months.

(3) Administrative reviews may not be conducted consecutively. At the completion of the 25-month inspection term following an administrative review, a terminal inspection shall be conducted pursuant to subdivision (d). If this inspection results in a satisfactory compliance rating, the terminal shall again be eligible for an administrative review in lieu of the next required inspection. If the succession of satisfactory ratings is interrupted by a rating of other than satisfactory, the terminal shall again attain two consecutive satisfactory ratings to become eligible for an administrative review.

SEC. 3. Section 34505.5 of the Vehicle Code is amended to read:

34505.5. (a) Every motor carrier operating any vehicle described in subdivision (a), (b), (e), (f), or (g) of Section 34500, except those vehicles exempted under Section 34501.12, shall, as a part of the systematic inspection, maintenance, and lubrication services required of all motor carriers, require the vehicle or vehicles for which it is responsible pursuant to Section 34501.12 to be inspected at least every 90 days, or more often if necessary to ensure safe operation. Vehicles which are out of service for periods greater than 90 calendar days are not required to be inspected at 90-day intervals if they are inspected before operation on the highway. This inspection shall include, but not be limited to, all of the following:

(1) Brake adjustment.

(2) Brake system components and leaks.

- (3) Steering and suspension systems.
- (4) Tires and wheels.
- (5) Vehicle connecting devices.

(b) No vehicle subject to this section shall be operated on the highway other than to a place of repair until all defects listed during the inspection conducted pursuant to subdivision (a) have been corrected and attested to by the signature of the motor carrier's authorized representative.

(c) Records of inspections conducted pursuant to subdivision (a) shall be kept at the motor carrier's terminals, as designated in accordance with Section 34501.12. The records shall be retained by the motor carrier for two years, and shall be made available for inspection upon request by any authorized employee of the department. Each record shall include, but not be limited to, all of the following:

(1) Identification of the vehicle, including make, model, license number, company vehicle number, or other means of positive identification.

(2) Date and nature of each inspection and any repair performed.

(3) Signature of the motor carrier's authorized representative attesting to the inspection and to the completion of all required repairs.

(d) Printouts of inspection and maintenance records maintained in computer systems shall be accepted in lieu of signed inspection or repair records if the printouts include the information required in paragraphs (1) and (2) of subdivision (c).

(e) Notwithstanding subdivisions (a) to (d), inclusive, records of 90-day inspections need not be retained in California for interstate vehicles which are not physically based in California. However, when these vehicles are present in California, they are subject to inspection by the department. If the inspection results indicate maintenance program deficiencies, the department may require the motor carrier to produce the maintenance records or copies of those records for inspection within 10 working days.

SEC. 4. Section 34505.6 of the Vehicle Code is amended to read:

34505.6. (a) Upon determining that a motor carrier operating any vehicle described in subdivision (a), (b), (e), (f), (g), or (k) of Section 34500 has done either of the following: (1) failed to maintain any vehicle used in transportation for compensation in a safe operating condition or to comply with the Vehicle Code or with regulations contained in Title 13 of the California Code of Regulations relative to motor carrier safety, and, in the department's opinion, that failure presents an imminent danger to public safety or constitutes a consistent failure as to justify a recommendation to the Public Utilities Commission or the Interstate Commerce Commission, or (2) failed to enroll all drivers in the pull notice system as required by Section 1808.1, the department shall recommend to the Public Utilities Commission that the carrier's operating authority be suspended, denied, or revoked, or to the

federal Highway Administration Office of Motor Carriers, that appropriate administrative action be taken against the carrier's Interstate Commerce Commission operating authority, whichever is appropriate. For purposes of this subdivision, two consecutive unsatisfactory compliance ratings for an inspected terminal assigned because the motor carrier failed to comply with the periodic report requirements of Section 1808.1 or the cancellation of the carrier's enrollment by the Department of Motor Vehicles for nonpayment of required fees is a consistent failure. The department shall retain a record, by operator, of every recommendation made pursuant to this section.

(b) Before transmitting a recommendation pursuant to subdivision (a), the department shall notify the carrier in writing of all of the following:

(1) That the department has determined that the carrier's safety record is unsatisfactory, furnishing a copy of any documentation or summary of any other evidence supporting the determination.

(2) That the determination may result in a suspension, revocation, or denial of the carrier's operating authority by the California Public Utilities Commission or the Interstate Commerce Commission.

(3) That the carrier may request a review of the determination by the department within five days of its receipt of the notice required under this subdivision. If a review pursuant to this paragraph is requested by the carrier, the department shall conduct and evaluate that review prior to transmitting any notification pursuant to subdivision (a).

SEC. 5. Section 34505.9 is added to the Vehicle Code, to read:

34505.9. (a) As used in this section, the following terms have the following meanings:

(1) An "intermodal chassis" is a trailer designed for carrying intermodal freight containers.

(2) An "ocean marine terminal" is a terminal, as defined in Section 34515, located at a port facility that engages in the loading and unloading of the cargo of ocean-going vessels.

(b) An ocean marine terminal that receives and dispatches intermodal chassis may conduct the intermodal roadability inspection program, as described in this section, in lieu of the inspection required by Section 34505.5, if the terminal meets all of the following conditions:

(1) More than 1,000 chassis are based at the ocean marine terminal.

(2) The ocean marine terminal has, following the two most recent consecutive inspections required by Section 34501.12, received satisfactory compliance ratings.

(3) Each intermodal chassis exiting the ocean marine terminal shall have a current decal and supporting documentation in accordance with Section 396.17 of Title 49 of the Code of Federal Regulations.

(4) The ocean marine terminal's intermodal roadability

inspection program consists of all of the following:

(A) Each time an intermodal chassis is released from the ocean marine terminal, the chassis shall be inspected. The inspection shall include, but not be limited to, brake adjustment, brake system components and leaks, suspension systems, tires and wheels, vehicle connecting devices, and lights and electrical system.

(B) Each inspection shall be recorded on a daily roadability inspection report, which shall include, but not be limited to, all of the following:

(i) Positive identification of the intermodal chassis, including company identification number.

(ii) Date and nature of each inspection.

(iii) Signature of the ocean marine terminal operator or an authorized representative.

(C) Records of each inspection conducted pursuant to subparagraph (A) shall be retained for 90 days at the ocean marine terminal at which each chassis is based and shall be made available upon request by any authorized employee of the department.

(D) Defects noted on any intermodal chassis shall be repaired, and the repairs shall be recorded on the intermodal chassis maintenance file, before the intermodal chassis is released from the control of the ocean marine terminal. No vehicle subject to this section shall be operated on the highway other than to a place of repair until all defects listed during the inspection conducted pursuant to subparagraph (A) have been corrected and attested to by the signature of the operator's authorized representative.

(E) Records of maintenance or repairs performed pursuant to the inspection in subparagraph (A) shall be maintained at the ocean marine terminal for two years and shall be made available upon request of the department. Repair records may be retained in a computer system if printouts of those records are provided to the department upon request.

(F) Individuals performing ocean marine terminal roadability inspections pursuant to this section shall, at a minimum, be qualified as set forth in Section 396.19 of Title 49 of the Code of Federal Regulations. Evidence of each inspector's qualification shall be retained by the ocean marine terminal operator for the period during which the inspector is performing intermodal roadability inspections.

(c) Following a terminal inspection in which the department determines an operator of an ocean marine terminal utilizing the intermodal roadability inspection program has failed to comply with the requirements of this section, the department shall conduct a reinspection within 120 days as specified in subdivision (h) of Section 34501.12. If the terminal fails the reinspection, the department shall direct the operator to comply with the requirements of Section 34505.5 until eligibility to utilize the inspection program described in this section is reestablished pursuant to subdivision (b). If any inspection results in an unsatisfactory rating due to conditions

presenting an imminent danger to the public safety, as described in Section 34505.6, the department immediately shall direct the operator to comply with the requirements of Section 34505.5 until eligibility to utilize the inspection program described in this section is reestablished pursuant to subdivision (b).

(d) This section shall remain in effect only until January 1, 1998, and as of that date is repealed, unless a later enacted statute, which is enacted before January 1, 1998, deletes or extends that date.

SEC. 6. Section 40000.21 of the Vehicle Code is amended to read:

40000.21. A violation of any of the following provisions is a misdemeanor, and not an infraction:

(a) Subdivision (a) of Section 34506, relating to the hours of service of drivers.

(b) Subdivision (b) of Section 34506, relating to the transportation of hazardous materials.

(c) Subdivision (c) of Section 34506, relating to schoolbuses.

(d) Subdivision (d) of Section 34506, relating to youth buses.

(e) Section 34505 or subdivision (e) of Section 34506, relating to tour buses.

(f) Section 34505.5 or subdivision (f) of Section 34506, relating to vehicles described in subdivisions (a), (b), (c), (d), (e), (f), and (g) of Section 34500.

(g) Subdivision (a) of Section 34501.3, relating to unlawful scheduling of runs by motor carriers.

(h) Subdivision (g) of Section 34506, relating to school pupil activity buses.

(i) Subparagraph (D) of paragraph (4) of subdivision (b) of Section 34505.9, relating to intermodal chassis.

SEC. 7. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs which may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, changes the definition of a crime or infraction, changes the penalty for a crime or infraction, or eliminates a crime or infraction. Notwithstanding Section 17580 of the Government Code, unless otherwise specified in this act, the provisions of this act shall become operative on the same date that the act takes effect pursuant to the California Constitution.

SEC. 8. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to provide, at the earliest possible time, for safety inspections of vehicles so that there will be fewer accidents and safer highway conditions, it is necessary that this act take effect immediately.

CHAPTER 59

An act to amend Section 11857.1 of the Public Utilities Code, relating to the Sacramento Municipal Utility District.

[Approved by Governor April 26, 1994. Filed with
Secretary of State April 26, 1994.]

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

SECTION 1. Section 11857.1 of the Public Utilities Code is amended to read:

11857.1. To effectuate the increase as provided in Section 11857, the board of directors in office on January 1, 1994, shall, by resolution or ordinance adopted within 90 days after that date, divide the territory of the district into seven wards, and fix the boundaries thereof. The boundaries shall be fixed so that the wards are as equal in population as may be.

CHAPTER 60

An act to amend Sections 19596, 19602, 19605.4, 19616.1, and 25503.26 of the Business and Professions Code, relating to events, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor May 3, 1994. Filed with
Secretary of State May 3, 1994.]

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

SECTION 1. Section 19596 of the Business and Professions Code is amended to read:

19596. (a) Notwithstanding any other provision of law, the board may do any of the following:

(1) Authorize an association conducting a racing meeting in this state to accept wagers on the results of out-of-state feature races having a gross purse of at least one hundred thousand dollars (\$100,000) during the period the association is conducting the racing meeting on days when live races are being run.

(2) Authorize an association in this state to accept wagers on any stakes race conducted by the racing association that conducts the Kentucky Derby, the Preakness Stakes, or the Belmont Stakes, if the stakes race is conducted on the same day as the Kentucky Derby, the Preakness Stakes, or the Belmont Stakes, and if the association in this state that accepts those wagers is then conducting a live racing meeting.

(3) Authorize the inclusion of wagers authorized pursuant to this

section in the parimutuel pools of the out-of-state association that conducts the races on which the wagers are placed.

(b) The board authorization may be granted under this section only if both of the following conditions are met:

(1) The authorization complies with federal laws, including, but not limited to, Chapter 57 (commencing with Section 3001) of Title 15 of the United States Code.

(2) Wagering is offered only within the racing enclosure and only within seven days of the running of the out-of-state feature race.

SEC. 2. Section 19602 of the Business and Professions Code is amended to read:

19602. (a) Notwithstanding any other provision of law, any racing association in this state may authorize betting systems located outside of this state to accept wagers on a race or races conducted or disseminated by that association and may transmit live audiovisual signals of the race or races and their results to those betting systems, except that any authorization is subject to the consent of the host association and applicable federal laws, including, but not limited to, Chapter 57 (commencing with Section 3001) of Title 15 of the United States Code.

(b) (1) Except as provided in paragraph (2), any racing association described in subdivision (a), when it authorizes betting systems located outside of this state to accept wagers on a race, shall pay a license fee to the state in an amount equal to 8 percent of the total amount received by the association from the out-of-state betting system. In addition, with respect to thoroughbred racing only, 3 percent of the amount remaining after the payment of the license fee shall be deposited with the official registering agency pursuant to subdivision (a) of Section 19617.2, and shall thereafter be distributed in accordance with subdivisions (b) and (c) of Section 19617.2. The remaining amount received by the association shall be distributed to the association that conducts the racing meeting and to horsemen participating in that racing meeting as follows: 50 percent to the association as commissions, and 50 percent to the horsemen as purses. All rents, costs, and fees shall be deducted pursuant to a contract between the association that conducts the racing meeting and the horsemen participating in the racing meeting. Notwithstanding any other provision of law, racing associations may form a partnership, joint venture, or any other affiliation in order to negotiate terms and conditions of agreements with out-of-state betting systems.

(2) A thoroughbred association that hosts the series of races known as the "Breeder's Cup" shall not be required to pay to the state the license fees required pursuant to paragraph (1). Amounts received by the association from out-of-state betting systems as wagers on Breeder's Cup races shall be distributed as follows: 50 percent as commissions to the association that conducts the racing meeting, and 50 percent as purses to the horsemen participating in the meeting.

(c) With the permission of the board, wagers accepted by betting systems located outside of this state may be, but are not required to be, included in the parimutuel pool of the association that conducts the racing meeting in this state. If the wagers accepted by betting systems located outside of this state are included in the parimutuel pool of the association that conducts the racing meeting in this state, the betting system located outside of this state shall, if permissible under applicable law, deduct from the total amount handled in each conventional and exotic parimutuel pool the same total percentages deducted pursuant to Article 9.5 (commencing with Section 19610) by the association that conducts the racing meeting in this state. If the laws of the jurisdiction in which the betting system is located do not permit the betting system to deduct the same percentages as are deducted by the association that conducts the racing, the board may, nonetheless, permit the inclusion of those out-of-state wagers in the association's parimutuel pool if the board determines it to be in the public interest of this state to do so.

(d) If wagers accepted by an association conducting racing within the state and wagers accepted by a betting system located outside of the state are combined in one parimutuel pool and the association and the betting system both deduct the same total percentages as set forth in subdivision (c), the breakage shall be allocated between the association and the betting system on the basis of a calculation for distribution approved by the board.

(e) If wagers accepted by an association conducting racing within the state are combined in one parimutuel pool with wagers accepted by a betting system located outside the state and the association and the betting system deduct different percentages from the amount handled in the parimutuel pool, the precise calculation and distribution of payments on winning tickets and breakage between the association and the betting system shall be on the basis of a calculation for distribution approved by the board.

(f) The board shall report to the Department of Finance whenever it approves a calculation for distribution pursuant to subdivision (d) or (e) and the projected impact of that calculation, if any, on state revenues.

(g) Breakage allocated pursuant to this section to an association conducting racing within this state shall be distributed in the same manner as would be breakage arising from wagers at the association in the absence of a combined parimutuel pool. This section does not apply to the disposition of breakage allocated to the betting system located outside of the state.

(h) If wagers accepted by a betting system located outside of this state are included in the parimutuel pool of an association conducting racing in this state, funds in the parimutuel pool attributable to unclaimed tickets relating to wagers accepted by the association conducting racing within the state shall be distributed in the same manner as unclaimed tickets relating to wagers accepted by that association in the absence of a combined parimutuel pool.

Funds in the parimutuel pool attributable to unclaimed tickets related to wagers accepted by the betting system located outside of this state shall be allocated to that betting system, and this section does not otherwise apply to the disposition of those funds at that location outside of the state.

SEC. 3. Section 19605.4 of the Business and Professions Code is amended to read:

19605.4. (a) Notwithstanding Section 19605.3, the live audiovisual signal of night harness, quarter horse, Appaloosa, or Arabian races in the central or southern zone may be offered to satellite wagering facilities in the northern zone and the signal of those races in the northern zone may be offered to satellite wagering facilities in the central or southern zone. Racing associations may agree to accept that audiovisual signal. However, satellite wagering facilities located at fairs shall not be required pursuant to that agreement to accept more than five night racing programs per week.

(b) (1) With respect to the live audiovisual signal of night harness, quarter horse, Appaloosa, or Arabian racing, any association or fair that operates a satellite wagering facility shall conduct wagering on all racing that is offered to the satellite wagering facility, as long as the satellite wagering facility is not sustaining a loss on a night meeting, as determined by the board, and if sustaining a loss on a night meeting, as long as the satellite wagering facility is reimbursed for that loss by either an organization described in Section 19608.2 or an association. Any association that operates a satellite wagering facility may, but is not required to, accept an audiovisual signal. Notwithstanding any other provision of this paragraph, an association that conducts a racing meeting and a fair that operates a satellite wagering facility may agree to provide an audiovisual signal and to accept wagering on less than all of the races.

(2) In calculating the loss, if any, for operating a satellite wagering facility for a night meeting, only the expenses incurred by the satellite wagering facility because of the acceptance of night wagers shall be considered, and no overhead expenses or expenses of the satellite wagering facility that would be incurred regardless of the acceptance of night wagers shall be considered.

SEC. 4. Section 19616.1 of the Business and Professions Code is amended to read:

19616.1. (a) Notwithstanding any other provision of law, wagers accepted on out-of-state feature races pursuant to Section 19596 or on any multiple race exotic wager involving races from out of state that is designated by the board as a national wager and included in the parimutuel pool or pools of the entity conducting the out-of-state racing shall be distributed as provided in this section.

(b) From the amount handled by the association and included in the parimutuel pool or pools of the entity conducting the out-of-state racing, each association may, with the permission of the board, deduct a percentage equal to the percentage deducted by the entity conducting the out-of-state racing.

(c) From the amount deducted pursuant to subdivision (b), if any, each association shall pay a state license fee at a pro rata rate applicable to the races of the association's racing program for the day on which the out-of-state feature is offered.

(d) Breakage and unclaimed tickets on out-of-state feature races shall be distributed 50 percent as commission and 50 percent as purses.

(e) The amount remaining from the deduction under subdivision (b), if any, after payment of the state license fee and the contractual payment to the out-of-state host racing association, shall be distributed 50 percent as commissions and 50 percent as purses.

(f) From the amount distributed under subdivision (e) for Appaloosa purses, a sum equal to 13.33 percent thereof shall be held by the association to be paid as owners' premiums for California-breds winning at the meeting. The sum shall be deposited within 10 days of the close of the meeting with the officially recognized organization representing the respective breeds. After deduction of expenses, not to exceed 5 percent, and approval of all the deductions by the board, the funds shall be distributed on a prorated percentage basis of first moneys earned to persons owning California-bred racehorses at the time of their wins in accordance with subdivision (b) of Section 19612.2 and subdivision (c) of Section 19617.

(g) From the amount distributed for thoroughbred purses under subdivision (e), a sum equal to 13.33 percent thereof shall be held by the association to be deposited with the official registering agency pursuant to subdivision (a) of Section 19617.2, and shall thereafter be distributed in accordance with subdivisions (b) and (c) of Section 19617.2.

(h) From the amount distributed under subdivision (e) for quarter horse purses, a sum equal to 13.33 percent thereof shall be held by the association to be deposited with the official registering agency pursuant to subdivision (b) of Section 19617.7, and shall thereafter be distributed in accordance with subdivisions (c), (d), and (e) of Section 19617.7.

(i) For the purposes of subdivisions (a) and (b), with respect to any multiple race exotic wager involving races from out of state that is designated by the board as a national wager, the out-of-state totalizator hub for the wager shall be considered the "entity conducting the out-of-state racing."

SEC. 5. Section 25503.26 of the Business and Professions Code is amended to read:

25503.26. (a) Notwithstanding any other provision of this chapter, the holder of a beer manufacturer's or winegrower's license, or a manufacturer of distilled spirits, may purchase advertising space and time from, or on behalf of, an on-sale retail licensee subject to all of the following conditions:

(1) The on-sale licensee is the owner, or is the lessee, or is a wholly owned subsidiary of the lessee, of an arena with a fixed seating

capacity in excess of 10,000 seats, at least 60 percent of the use of which is for horseracing events, and which is located within Los Angeles County, Alameda County, or San Mateo County.

(2) The advertising space or time is purchased only in connection with events to be held on the premises of the arena owned or leased by the on-sale licensee.

(3) The on-sale licensee serves other brands of beer, distilled spirits, or wine in addition to the brand manufactured by the beer manufacturer or distilled spirits manufacturer or produced by the winegrower purchasing the advertising space or time.

(b) Any purchase of advertising space or time pursuant to subdivision (a) shall be conducted pursuant to a written contract entered into by the holder of the beer manufacturer's or winegrower's license, or the manufacturer of distilled spirits, and the on-sale licensee.

(c) Any holder of a beer manufacturer's or winegrower's license, or any manufacturer of distilled spirits, who, through coercion or other illegal means, induces a holder of a beer or wine or distilled spirits wholesaler's license to fulfill the contractual obligations entered into pursuant to subdivision (a) or (b) is guilty of a misdemeanor and shall be punished by imprisonment in the county jail not exceeding six months, or by a fine in an amount equal to the entire value of the advertising space or time involved in the contract plus ten thousand dollars (\$10,000), or by both imprisonment and fine. The person shall also be subject to license revocation pursuant to Section 24200.

SEC. 6. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs which may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, changes the definition of a crime or infraction, changes the penalty for a crime or infraction, or eliminates a crime or infraction. Notwithstanding Section 17580 of the Government Code, unless otherwise specified in this act, the provisions of this act shall become operative on the same date that the act takes effect pursuant to the California Constitution.

SEC. 7. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order for this act to apply to events, including horseracing events in the current racing season, it is necessary that this act take effect immediately.

CHAPTER 61

An act to amend Section 8209 of the Education Code, and to make an appropriation in augmentation of Items 6110-101-001, 6110-106-001, and 6110-161-001 of Section 2.00 of the Budget Act of 1992, relating to education finance, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor May 3, 1994. Filed with
Secretary of State May 3, 1994.]

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

SECTION 1. Section 8209, as added to the Education Code by Senate Bill No. 720 of the 1993-94 Regular Session, is amended to read:

8209. (a) If a state of emergency is declared by the Governor, the Superintendent of Public Instruction may waive any requirements of this code or regulations adopted pursuant to this code relating to child care and development programs operated pursuant to this chapter only to the extent that enforcement of the regulations or requirements would directly impede disaster relief and recovery efforts or would disrupt the current level of service in child care and development programs.

(b) If a state of emergency is declared by the Governor, the Superintendent of Public Instruction may waive, any requirements of this code or regulations adopted pursuant to this code relating to child nutrition programs in child care and development programs operated pursuant to this chapter only to the extent that enforcement of the regulations or requirements would directly impede disaster relief and recovery efforts or would disrupt the current level of service in child care and development programs.

(c) A waiver granted pursuant to subdivision (a) or (b) shall not exceed 45 calendar days.

(d) For purposes of this section, "state of emergency" includes fire, flood, earthquake, or a period of civil unrest.

(e) If a request for a waiver pursuant to subdivision (a) or (b) is for a child care and development program or child nutrition program that receives federal funds and the waiver may be inconsistent with the state plan or any federal law or regulations governing the program, the Superintendent of Public Instruction shall seek and obtain approval of the waiver from the appropriate federal agency prior to granting the waiver.

SEC. 2. Section 1 of this act shall only become operative if Senate Bill 720 of the 1993-94 Regular Session is chaptered and becomes operative on or before the effective date of this act.

SEC. 3. (a) The sum of one hundred six million six hundred fifty-six thousand dollars (\$106,656,000) is hereby appropriated from the General Fund in augmentation of Item 6110-101-001 of Section

2.00 of the Budget Act of 1992 for purposes of paying deficiencies.

(b) The sum of one million five hundred forty-six thousand dollars (\$1,546,000) is hereby appropriated from the General Fund in augmentation of Item 6110-106-001 of Section 2.00 of the Budget Act of 1992 for purposes of paying deficiencies. Prior to allocation of funds appropriated by this subdivision, the State Department of Education shall reach an agreement with the Department of Finance regarding the funded average daily attendance to be used for apportionment purposes for these funds, which shall reflect revisions to preliminary estimates of the deficiency for juvenile court and community school programs. Any funds appropriated by this subdivision or subdivision (a) that are not allocated as a result of that agreement shall immediately revert to the General Fund and any reverted amount shall not be considered an appropriation for purposes of Section 8 of Article XVI of the California Constitution.

(c) The sum of ten million ninety-seven thousand dollars (\$10,097,000) is hereby appropriated from the General Fund in augmentation of Item 6110-161-001 of Section 2.00 of the Budget Act of 1992 for purposes of paying deficiencies.

(d) Pursuant to paragraph (2) of subdivision (b) of Section 41206 of the Education Code, the appropriations made pursuant to this section to pay deficiencies are deemed to be appropriations made in the 1992-93 fiscal year for purposes of Section 8 of Article XVI of the California Constitution.

SEC. 4. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order that appropriations to pay deficiencies in the state's minimum funding obligations for the 1992-93 fiscal year under Section 8 of Article XVI of the California Constitution may be made immediately and in order to address the serious problems in the general operation of child care and development programs in schools resulting from the Northridge earthquake of 1994, it is necessary for this act to take effect immediately.

CHAPTER 62

An act to amend Sections 19533, 19613.2, 19613.3, and 19613.6 of, and to repeal and add Sections 19613 and 19613.1 to, the Business and Professions Code, relating to horseracing.

[Approved by Governor May 9, 1994. Filed with
Secretary of State May 10, 1994.]

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

SECTION 1. Section 19533 of the Business and Professions Code, as amended by Chapter 5 of the Statutes of 1994, is amended to read:

19533. (a) Any license granted to an association other than a fair shall be only for one type of racing, thoroughbred, harness, or quarter horse racing as the case may be, except that the board may authorize the entering of thoroughbred and Appaloosa horses in quarter horse races at a distance not exceeding five furlongs at quarter horse meetings, mixed breed meetings, and fair meetings. If the board authorizes the entering of thoroughbred or Appaloosa horses in quarter horse races, the following conditions shall be met:

(1) Any race written for participation by quarter horses, Appaloosas, and thoroughbreds shall be written as quarter horse preferred.

(2) The number of races written as quarter horse preferred at a distance exceeding 870 yards shall not exceed more than three races per program without the consent of the quarter horse horsemen's organization contracting with the association.

(3) More than one-half of the races on any program shall be written for quarter horses at a distance not to exceed 550 yards, unless the consent of the quarter horse horsemen's organization is received.

(4) Mixed races with Appaloosa and quarter horses may only be written with the consent of the quarter horse horsemen's organization contracting with the association.

(b) The association that conducts the meeting shall pay to a thoroughbred trainers' organization an amount for a pension plan for backstretch personnel to be administered by that trainers' organization equivalent to 1 percent of the amount available to thoroughbred horses for purses. The remainder of the portion shall be distributed as purses. Any redistributable money paid to the board pursuant to Section 19641, which is paid to a welfare fund established by a horsemen's organization from races with both thoroughbred and quarter horses, shall be divided pro rata between the two welfare funds based on the number of thoroughbreds and quarter horses in the race.

(c) (1) Notwithstanding any other provision of law, any association licensed to conduct quarter horse racing may apply to the board for, and the board shall grant, authority to conduct thoroughbred racing as part of its racing program if all of the following conditions are met:

(A) The thoroughbred races are for a claiming price of not more than five thousand dollars (\$5,000), and at a distance of four and one-half furlongs or less. The races may not be stakes, allowance races, or maiden allowance races.

(B) More than one-half of the races on any program shall be written for quarter horses at a distance not to exceed 550 yards, unless the consent of the quarter horse horsemen's organization is

received.

(C) The consent of the quarter horse horsemen's organization contracting with the association is obtained with respect to the inclusion of thoroughbred racing.

(2) The quarter horse racing association conducting thoroughbred racing pursuant to this subdivision shall pay to a quarter horse horsemen's organization the amount specified in subdivision (e) of Section 19613, and an amount for a pension plan for backstretch personnel to be administered by a thoroughbred trainers' organization equivalent to 1 percent of the amount available to thoroughbred horses for purses. The remainder of the portion shall be distributed as purses. The quarter horse racing association shall also deduct the appropriate amount to comply with subdivision (a) of Section 19617.2 for distribution to the thoroughbred official registering agency.

SEC. 2. Section 19613 of the Business and Professions Code, as added by Chapter 5 of the Statutes of 1994, is repealed.

SEC. 3. Section 19613 is added to the Business and Professions Code, to read:

19613. (a) Except as provided in subdivisions (b), (c), (d), (e), and (f), the portion deducted for purses pursuant to this chapter shall be paid to or for the benefit of the horsemen at the racing meeting.

(b) Any association other than a fair that conducts a thoroughbred racing meeting shall pay to the owners' organization contracting with the association with respect to the conduct of racing meetings for administrative expenses and services rendered to owners, an amount not to exceed two-thirds of 1 percent of the portion, and to a trainers' organization for administrative expenses and services rendered to trainers and backstretch employees an amount equivalent to one-third of 1 percent of the portion. That association shall also pay an amount for a pension plan for backstretch personnel to be administered by the trainers' organization equivalent to an additional 1 percent of the portion. The remainder of the portion shall be distributed as purses.

(c) Any other association may pay to the horsemen's organization contracting with the association with respect to the conduct of racing meetings for administrative expenses and services rendered to horsemen an amount out of the portion as may be determined by the association by agreement or otherwise, but, in all events, shall include, relative to a thoroughbred horsemen's organization racing, 1 percent of the portion for a pension plan for backstretch personnel to be administered by the trainers' organization. The remainder of the portion shall be distributed as purses.

(d) Notwithstanding subdivisions (b) and (c), any association conducting a fair racing meeting or conducting a mixed breed racing meeting shall pay to the horsemen's organizations contracting with the association with respect to the conduct of races for their respective breeds of horses at the meetings for administrative

expenses and services rendered to their respective horsemen those amounts out of the portion as determined by the horsemen's organization for the respective breeds with the approval of the board.

Pursuant to this subdivision, amounts not to exceed 3 percent of the portion for the owners' and trainers' organizations shall be distributed to any thoroughbred owners' and trainers' organizations contracting with an association for a fair racing meeting or participating in mixed breed racing meetings as follows: two-thirds of one percent to the owners' organization and one-third of 1 percent to the trainers' organization for administrative expenses and services rendered to both owners and trainers, 1 percent for welfare funds, and 1 percent for a pension program for backstretch personnel, to be administered by the thoroughbred trainers' organization.

(e) Any association other than a fair that conducts a quarter horse racing meeting, except a mixed breed meeting, shall pay to the horsemen's organization contracting with the association with respect to the conduct of racing meetings for administrative expenses and services rendered to horsemen an amount equal to its expenses, but not to exceed 3 percent of the portion. The remainder of the portion shall be distributed as purses.

(f) For racing meetings other than thoroughbred meetings, if no contract has been signed between the association conducting the racing meeting and the organization representing the horsemen by the time the racing meeting commences, the distribution of purses shall be governed by the following:

(1) If the association conducted a racing meeting within the past 15 months and a contract was in existence for that meeting with the horsemen's organization and the association is conducting a subsequent meeting for the same breed or mixed breeds, the amounts payable to the horsemen's organization under subdivision (c) shall be computed under the provisions of the last signed contract between the parties.

(2) This subdivision applies regardless of the cause of the failure to execute a contract, whether that failure is a result of inadvertence or otherwise.

(3) For racing meetings that do not come within paragraph (1), the board shall, within 15 days after the commencement of the racing meeting, determine the amounts payable to the horsemen's organization for administrative expenses and services, and provide for the direct payment of those amounts.

SEC. 4. Section 19613.1 of the Business and Professions Code, as added by Chapter 5 of the Statutes of 1994, is repealed.

SEC. 5. Section 19613.1 is added to the Business and Professions Code, to read:

19613.1. (a) With respect to thoroughbred racing, except as provided in subdivision (b), the board shall determine which matters shall be the subject of negotiation and contract between the owners' organization and the association, and which matters shall be

the subject of negotiation and contract between the trainers' organization and the association.

(b) The owners' organization shall generally be responsible for negotiating purse agreements, satellite simulcast agreements, and all other business agreements relating to the conduct of racing that affect the owners. The trainers' organization shall generally be responsible for negotiating issues relating to the backstretch, track safety, and the welfare of backstretch employees.

(c) The board shall resolve issues that are not settled between the associations and the organizations representing owners and trainers.

SEC. 6. Section 19613.2 of the Business and Professions Code is amended to read:

19613.2. (a) Any horsemen's, owners', or trainers' organization or organization representing horsemen, owners, or trainers shall be incorporated under the laws of the State of California in order to receive a distribution or deduction under this chapter. Each corporation shall represent a majority of the horsemen, owners, or trainers in the state with respect to the breed of horses the corporation represents. The board shall initially determine the organization that represents California horsemen with respect to each breed. Any distribution or deduction received by any of those organizations shall be used only for the benefit of California horsemen.

(b) No portion of the amount distributed pursuant to Section 19613 to an owners', trainers', or horsemen's organization shall be used for the purpose of making contributions to candidates for public office, or to urge or oppose any measure on the ballot. The organizations representing owners, trainers, and horsemen may expend no more than the amount reasonably necessary to represent its members before the Legislature and the board with respect to issues that directly affect services rendered to owners, trainers, and horsemen. The board shall annually review the budgets of the organizations representing owners, trainers, and horsemen and shall determine the appropriate amount to be expended for providing the representation authorized by this subdivision.

(c) If an owners', trainers', or horsemen's organization is conducting itself contrary to statute, regulation, or order of the board, the board may take disciplinary action against the organization, including ordering an association to withhold any distribution authorized pursuant to Section 19613.

SEC. 7. Section 19613.3 of the Business and Professions Code is amended to read:

19613.3. Each horsemen's organization, except an organization that solely represents owners, or an organization that solely represents trainers, shall provide for the representation of owners and trainers on its board of directors. The provisions setting forth the composition of the board of directors of each organization shall be in the bylaws of the organization and shall be submitted to the board. The bylaws and any changes thereto shall be approved by the board.

SEC. 8. Section 19613.6 of the Business and Professions Code is amended to read:

19613.6. Notwithstanding any other provision of this chapter, the owners' organization referred to in subdivision (a) of Section 19613.2 that represents thoroughbred owners may elect to contribute the purses from one race conducted annually by each licensed thoroughbred racing association or fair to a welfare fund. The contribution shall be used for the benefit of horsemen, and the trainers' organization shall make an accounting to the board within one calendar year of the receipt of the contribution. The designation of a specific race from which the horsemen elect to contribute the purses is subject to the mutual agreement of the horsemen's organization and the racing association or fair that conducts the race.

CHAPTER 63

An act to add Chapter 4.8 (commencing with Section 1174) to Title 7 of Part 2 of the Penal Code, relating to sentencing, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor May 9, 1994. Filed with
Secretary of State May 10, 1994.]

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

SECTION 1. The Legislature finds and declares each of the following:

(a) During the past several years there has been a dramatic increase in the number of incarcerated women who are single mothers or primary caretakers of children. In 1989, more than 52,000 children under the age of 18 years had mothers who were in jail in the United States. Over one-half of the women in California prisons have minor children. As many as 6 percent of the women in jails and prisons are pregnant at any given time.

(b) Between 1983 and 1989, the female population in jail in the United States increased 138 percent. This increase represents a rate nearly double that for the increase of male inmates. During a similar period between 1984 and 1990, the number of women inmates in California prisons tripled.

(c) In 1990, a total of 83,729 women were arrested for felonies in this state. Of these arrests, 60,564 were for property, drug, or prostitution offenses. Of the approximately 7,000 women in California prisons, over 4,500 are serving sentences for property or drug offenses.

(d) In a survey conducted by the Federal Bureau of Justice Statistics, one-third of all female prisoners reported being under the influence of some drug at the time of their offense with 39 percent

reporting daily drug use in the month before their offense. Over 70 percent of the women in California prisons report having used cocaine, heroin, or methamphetamines.

(e) An estimated 50 percent of the women in the same study reported previous history of physical or sexual abuse at some time in their lives.

(f) Several studies have shown that children of substance abusing or incarcerated parents consistently experience behavioral problems throughout their lives. The negative intergenerational impact upon children raised in circumstances involving substance abusing or incarcerated parents is a generally well-accepted principle.

(g) Female inmates consistently report being raised in substance abusing dysfunctional families resulting in their lack of opportunity to obtain any practical parenting or social skills, nutritional or health care practices, or life survival skills.

(h) Of the approximately 7,000 women presently in California prisons, 90 percent have never been in prison before, although 75 percent have been incarcerated in local jails prior to being sentenced to state prison.

(i) Without intervention, children of incarcerated women have a significantly increased likelihood of entering the child welfare and juvenile justice systems, becoming school dropouts, substance abusers, and pregnant as adolescents.

(j) Female offenders and their children are presently being provided services from a disjointed network of social services, medical providers, mental health providers, and correctional practitioners. A lack of local coordination often contributes to the duplication of services and results in few cost-effective, concentrated efforts directed toward this population.

(k) The costs of out-of-home care for children in California in 1990-91 totaled \$760,000,000.

(l) The costs associated with caring for medically fragile babies born addicted to drugs is high and ever increasing.

(m) Few sentencing alternatives or programming initiatives exist that are designed to intervene in serving this population with special needs.

(n) The California Blue Ribbon Commission on Inmate Population Management, in its January 1990 report to the Governor and Legislature, concluded that in sentencing decisions, judges lack sufficient intermediate sanctions, punishment options, and treatment programs between routine probation and local or state incarceration.

(o) It is essential that California establish a new sentencing alternative for substance abusing female offenders with young children to both hold the women offenders accountable and afford both parent and child an opportunity to establish productive lives. It must be the responsibility of California communities to support and intervene in the intergenerational cycle of criminality through the establishment of sentencing alternatives. Sentencing alternatives are

essential as 95 percent of all offenders eventually return to the community.

SEC. 2. Chapter 4.8 (commencing with Section 1174) is added to Title 7 of Part 2 of the Penal Code, to read:

CHAPTER 4.8. PREGNANT AND PARENTING WOMEN'S
ALTERNATIVE SENTENCING PROGRAM ACT

1174. This chapter shall be known as the Pregnant and Parenting Women's Alternative Sentencing Program Act.

1174.1. For purposes of this chapter, the following definitions shall apply:

(a) "Agency" means the private agency selected by the department to operate this program.

(b) "Construction" means the purchase, new construction, reconstruction, remodeling, renovation, or replacement of facilities, or a combination thereof.

(c) "County" means each individual county as represented by the county board of supervisors.

(d) "Court" means the superior court sentencing the offender to the custody of the department.

(e) "Department" means the Department of Corrections.

(f) "Facility" means the nonsecure physical buildings, rooms, areas, and equipment.

(g) "Program" means an intensive substance abusing pregnant and parenting women's alternative sentencing program.

1174.2. (a) Notwithstanding any other law, the unencumbered balance of Item 5240-311-751 of Section 2 of the Budget Act of 1990 shall revert to the unappropriated surplus of the 1990 Prison Construction Fund. The sum of fifteen million dollars (\$15,000,000) is hereby appropriated to the Department of Corrections from the 1990 Prison Construction Fund for site acquisition, site studies, environmental studies, master planning, architectural programming, schematics, preliminary plans, working drawings, construction, and long lead and equipment items for the purpose of constructing facilities for pregnant and parenting women's alternative sentencing programs. These funds shall not be expended for any operating costs, including those costs reimbursed by the department pursuant to subdivision (c) of Section 1174.3. Funds not expended pursuant to this chapter shall be used for planning, construction, renovation, or remodeling by, or under the supervision of, the Department of Corrections, of community-based facilities for programs designed to reduce drug use and recidivism, including, but not limited to, restitution centers, facilities for the incarceration and rehabilitation of drug offenders, multipurpose correctional centers and centers for intensive programs for parolees. These funds shall not be expended until legislation authorizing the establishment of these programs is enacted. If the Legislature finds that the Department of Corrections has made a good faith effort to site community-based

facilities, but funds designated for these community-based facilities are unexpended as of January 1, 1998, the Legislature may appropriate these funds for other Level I housing.

(b) The Department of Corrections shall purchase, design, construct, and renovate facilities in counties or multicounty areas with a population over 450,000 people pursuant to this chapter. The department shall target for selection, among other counties, Los Angeles County, San Diego County, and a bay area and a central valley county as determined by the Director of Corrections. The department, in consultation with the State Department of Alcohol and Drug Programs, shall design core alcohol and drug treatment programs, with specific requirements and standards. Residential facilities shall be licensed by the State Department of Alcohol and Drug Programs in accordance with provisions of the Health and Safety Code governing licensure of alcoholism or drug abuse recovery or treatment facilities. Residential and nonresidential programs shall be certified by the State Department of Alcohol and Drug Programs as meeting its standards for perinatal services. Funds shall be awarded to selected agency service providers based upon all of the following criteria and procedures:

(1) A demonstrated ability to provide comprehensive services to pregnant women or women with children who are substance abusers consistent with this chapter. Criteria shall include, but not be limited to, each of the following:

(A) The success records of the types of programs proposed based upon standards for successful programs.

(B) Expertise and actual experience of persons who will be in charge of the proposed program.

(C) Cost-effectiveness, including the costs per client served.

(D) A demonstrated ability to implement a program as expeditiously as possible.

(E) An ability to accept referrals and participate in a process with the probation department determining eligible candidates for the program.

(F) A demonstrated ability to seek and obtain supplemental funding as required in support of the overall administration of this facility from any county, state, or federal source that may serve to support this program, including the State Department of Alcohol and Drug Programs, the Office of Criminal Justice Planning, the State Department of Social Services, the State Department of Mental Health, or any county public health department. In addition, the agency shall also attempt to secure other available funding from all county, state, or federal sources for program implementation.

(G) An ability to provide intensive supervision of the program participants to ensure complete daily programming.

(2) Staff from the department shall be available to selected agencies for consultation and technical services in preparation and implementation of the selected proposals.

(3) The department shall consult with existing program operators

that are then currently delivering similar program services, the State Department of Alcohol and Drug Programs, and others it may identify in the development of the program.

(4) Funds shall be made available by the department to the agencies selected to administer the operation of this program.

(5) Agencies shall demonstrate an ability to provide offenders a continuing supportive network of outpatient drug treatment and other services upon the women's completion of the program and reintegration into the community.

(6) The department may propose any variation of types and sizes of facilities to carry out the purposes of this chapter.

(7) The department shall secure all other available funding for its eligible population from all county, state, or federal sources.

(8) Each program proposal shall include a minimum of one year in which the person shall participate in the program. In addition, the program shall include a minimum of one year of transition services for women and their children, while under specialized parole supervision.

1174.3. (a) The department shall ensure that the facility designs provide adequate space to carry out this chapter, including the capability for nonsecure housing, programming, child care, food services, treatment services, educational or vocational services, intensive day treatment, and transitional living skills services.

(b) The agency selected to operate the program shall administer and operate the center and program consistent with the criteria set forth in this chapter and any criteria established by the department. These responsibilities shall include maintenance and compliance with all laws, regulations, and health standards. The department shall contract to reimburse the agency selected to operate this program for women who would otherwise be sentenced to state prison based upon actual costs not provided by other funding sources.

(c) Notwithstanding any other law, Division 13 (commencing with Section 21000) of the Public Resources Code shall not apply to any facility used for multiperson residential use in the last five years, including, but not limited to, motels, hotels, long-term care facilities, apartment buildings, and rooming houses, or to any project for which facilities intended to house no more than 75 women and children are constructed or leased pursuant to this chapter.

(d) Proposals submitted pursuant to this chapter are exempt from approval and submittal of plans and specifications to the Joint Legislative Committee on Prison Construction Operations and other legislative fiscal committees.

1174.4. (a) Persons eligible for participation in this alternative sentencing program shall meet all of the following criteria:

(1) Pregnant women with an established history of substance abuse, or pregnant or parenting women with an established history of substance abuse who have one or more children under six years old at the time of entry into the program. For women with children, at least one eligible child shall reside with the mother in the facility.

(2) Never served a prior prison term for, nor been convicted in the present proceeding of, committing or attempting to commit, any of the following offenses:

- (A) Murder or voluntary manslaughter.
- (B) Mayhem.
- (C) Rape.
- (D) Kidnapping.
- (E) Sodomy by force, violence, duress, menace, or fear of immediate and unlawful bodily injury on the victim or another person.
- (F) Oral copulation by force, violence, duress, menace, or fear of immediate and unlawful bodily injury on the victim or another person.
- (G) Lewd acts on a child under 14 years of age, as defined in Section 288.
- (H) Any felony punishable by death or imprisonment in the state prison for life.
- (I) Any felony in which the defendant inflicts great bodily injury on any person, other than an accomplice, that has been charged and proved as provided for in Section 12022.7 or 12022.9, or any felony in which the defendant uses a firearm, as provided in Section 12022.5 or 12022.55, in which the use has been charged and proved.
- (J) Robbery.
- (K) Any robbery perpetrated in an inhabited dwelling house or trailer coach as defined in the Vehicle Code, or in the inhabited portion of any other building, wherein it is charged and proved that the defendant personally used a deadly or dangerous weapon, as provided in subdivision (b) of Section 12022, in the commission of that robbery.
- (L) Arson in violation of subdivision (a) of Section 451.
- (M) Penetration by a foreign object in violation of subdivision (a) of Section 289 if the act is accomplished against the victim's will by force, violence, duress, menace, or fear of immediate and unlawful bodily injury on the victim or another person.
- (N) Rape or penetration of genital or anal openings by a foreign object in concert, in violation of Section 264.1.
- (O) Continual sexual abuse of a child in violation of Section 288.5.
- (P) Assault with intent to commit mayhem, rape, sodomy, oral copulation, rape in concert, with another, lascivious acts upon a child, or penetration by a foreign object.
- (Q) Assault with a deadly weapon or with force likely to produce great bodily injury in violation of subdivision (a) of Section 245.
- (R) Any violent felony defined in Section 667.5.
- (S) A violation of Section 12022.
- (T) A violation of Section 12308.
- (U) Burglary of the first degree.
- (V) A violation of Section 11351, 11351.5, 11352, 11353, 11358, 11359, 11360, 11370.1, 11370.6, 11378, 11378.5, 11379, 11379.5, 11379.6, 11380, or 11383 of the Health and Safety Code.

(3) Has not been sentenced to state prison for a term exceeding 36 months.

(4) Prior to sentencing, if the court proposes to give consideration to a placement, the court shall consider a written evaluation by the probation department, which shall include the following:

(A) Whether the defendant is eligible for participation pursuant to this section.

(B) Whether participation by the defendant and her eligible children is deemed to be in the best interests of the children.

(C) Whether the defendant is amenable to treatment for substance abuse and would benefit from participation in the program.

(D) Whether the program is deemed to be in the best interests of an eligible child of the defendant by a representative of the appropriate child welfare services agency of the county if the child is a dependent child of the juvenile court pursuant to Section 300 of the Welfare and Institutions Code.

(5) The district attorney shall make a recommendation to the court as to whether or not the defendant would benefit from the program, which the court shall consider in making its decision. If the court's decision is without the concurrence of the district attorney, the court shall specify its reasons in writing and enter them into the record.

(6) If the court determines that the defendant may benefit from participation in this program, the court may impose a state prison sentence with the recommendation that the defendant participate in the program pursuant to this chapter. The court shall notify the department within 48 hours of imposition of this sentence.

(7) The Director of Corrections shall consider the court's recommendation in making a determination on the inmate's placement in the program.

(b) Women accepted for the program by the Director of Corrections shall be delivered by the county, pursuant to Section 1202a, to the facility selected by the department.

(c) Prior to being admitted to the program, each participant shall voluntarily sign an agreement specifying the terms and conditions of participation in the program.

(d) The department may refer inmates back to the sentencing court if the department determines that an eligible inmate has not been recommended for the program. The department shall refer the inmate to the court by an evaluative report so stating the department's assessment of eligibility, and requesting a recommendation by the court.

(e) Women who successfully complete the program, including the minimum of one year of transition services under intensive parole supervision, shall be discharged from parole. Women who do not successfully complete the program shall be returned to the state prison where they shall serve their original sentences. These persons shall receive full credit against their original sentences for the time

served in the program, pursuant to Section 2933.

1174.5. The department shall be responsible for the funding and monitoring of the progress, activities, and performance of each program.

1174.6. On or before July 1, 1995, the department shall report to the Legislature the status of siting for construction and renovation of the program facilities authorized.

1174.7. The department shall report the status of this program to the Legislature on or before January 1, 1996, and each year thereafter.

1174.8. (a) The department shall adopt regulations pursuant to the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code) to implement this chapter.

(b) Notwithstanding subdivision (a) and any other law, and except as otherwise specifically provided in this chapter, until July 1, 1996, the Director of Corrections shall have the power to implement, interpret, and make specific the changes made in this chapter by issuing director's criteria. These criteria shall be exempt from the requirements of Articles 5 (commencing with Section 11346) and 6 (commencing with Section 11349) 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) and shall remain in effect until July 1, 1996, unless terminated or replaced by, or readopted as, emergency regulations pursuant to subdivision (c).

(c) On or before July 1, 1995, the department shall file emergency regulations to implement this chapter with the Office of Administrative Law. These emergency regulations shall be considered by the office as necessary for the immediate preservation of the public peace, health and safety, or general welfare and shall remain in effect until July 1, 1996, unless terminated or replaced by, or readopted as, permanent regulations in compliance with Articles 5 (commencing with Section 11346) and 6 (commencing with Section 11349) 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) pursuant to subdivision (d).

(d) The department shall file a certificate of compliance with the Office of Administrative Law to adopt permanent regulations on or before May 15, 1996.

SEC. 3. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

During the past several years there has been an alarming increase in the number of incarcerated women who are single mothers or primary caretakers of children. Because of the special needs associated with substance abusing females with young children, it is time for California to establish a new sentencing alternative to hold the women offenders accountable while affording both parent and

child an opportunity to establish productive lives.

CHAPTER 64

An act to add and repeal Title 7.85 (commencing with Section 67650) of the Government Code, relating to Fort Ord, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor May 9, 1994. Filed with
Secretary of State May 10, 1994.]

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

SECTION 1. Title 7.85 (commencing with Section 67650) is added to the Government Code, to read:

TITLE 7.85. FORT ORD REUSE AUTHORITY

CHAPTER 1. TITLE AND DECLARATION OF POLICY

67650. This title shall be known and may be cited as the "Fort Ord Reuse Authority Act."

67651. The Legislature hereby declares the following goals to be the policy of the State of California:

(a) To facilitate the transfer and reuse of the real and other property comprising the military reservation known as Fort Ord with all practical speed.

(b) To minimize the disruption caused by the base's closure on the civilian economy and the people of the Monterey Bay area.

(c) To provide for the reuse and development of the base area in ways that enhance the economy and quality of life of the Monterey Bay community.

(d) To maintain and protect the unique environmental resources of the area.

67652. The Legislature finds and declares as follows:

(a) The policy set forth in Section 67651 is most likely to be achieved if an effective governmental structure exists to plan for, finance, and carry out the transfer and reuse of the base in a cooperative, coordinated, balanced, and decisive manner.

(b) The County of Monterey and the Cities of Monterey, Salinas, Carmel, and Pacific Grove have requested the Legislature to establish a governmental structure for Fort Ord.

CHAPTER 2. GENERAL PROVISIONS

67655. Unless the context otherwise requires, the definitions contained in this chapter govern the construction of this title.

(a) "Authority" means the Fort Ord Reuse Authority.

(b) "Base-wide facility" means a public capital facility which, in the judgment of the board, is important to the overall reuse of Fort Ord, and has significance beyond any single city or the unincorporated area of the county.

(c) "Board" means the governing board of the authority, as specified in Section 67660.

(d) "Fort Ord Reuse Plan" means the plan for the future use of Fort Ord adopted pursuant to Section 67675.

(e) "Legislative body" means the city council of a city or the board of supervisors of a county, or the legislative body or governing board of any other public agency.

(f) "Local facility" means a public capital facility which, in the judgment of the board, is important primarily within a single city or the unincorporated area of the county.

(g) "Member agency" means the County of Monterey and the City of Carmel, the City of Del Rey Oaks, the City of Marina, the City of Sand City, the City of Monterey, the City of Pacific Grove, the City of Salinas, or the City of Seaside.

(h) "Fort Ord," including references to the territory or area of Fort Ord, means the geographical area described in the document entitled "Description of the Fort Ord Military Reservation Including Portion of the Monterey City Lands Tract No. 1, the Saucito, Laguna Seca, El Chamisal, El Toro and Noche Buena Ranchos, the James Bardin Partition of 1880 and Townships 14 South, Ranges 1 and 2 East and Townships 15 South, Ranges 2 and 3 East, M.D.B. and M. Monterey County, California," prepared by Bestor Engineers, Inc., and delivered to the Sacramento District Corps of Engineers on April 11, 1994.

(i) "Public capital facilities" means all public capital facilities described in the Fort Ord Reuse Plan, including, but not limited to, roads, freeways, ramps, air transportation facilities and freight hauling and handling facilities, sewage and water conveyance and treatment facilities, school, library, and other educational facilities, and recreational facilities, that could most efficiently and conveniently be planned, negotiated, financed, or constructed by the authority to further the integrated future use of Fort Ord.

(j) "Redevelopment authority," for purposes of federal law concerning the transfer of property at military bases, means the Fort Ord Reuse Authority.

67656. The local agencies specified in Section 67660 may establish the Fort Ord Reuse Authority in accordance with the provisions of this title upon the adoption of resolutions favoring the establishment of the authority by the governing bodies of those local agencies that would appoint a majority of the voting membership of the board as constituted by that section.

67657. (a) The authority is a public corporation of the State of California that is independent of the agencies from which its board is appointed. Notwithstanding any other provision of law, the powers and duties of the authority are those granted or imposed by this title.

(b) The jurisdiction of the authority shall be the territory of Fort Ord. The jurisdiction of the authority is subject to the provisions of the Cortese-Knox Local Government Reorganization Act of 1985 (Division 3 (commencing with Section 56000) of Title 5).

(c) The Legislature finds and declares that the planning, financing, and management of the reuse of Fort Ord is a matter of statewide importance, and that the powers and duties granted to the authority by this title shall prevail over those of any local entity, including any city or county, whether formed under the general laws of the State of California or pursuant to a charter, and any joint powers authority.

67658. The authority's purpose is to plan for, finance, and manage the transition of the property known as Fort Ord from military to civilian use.

67659. In accordance with Section 5151 of the Elections Code, the authority is a district for purposes of initiative and referendum under Chapter 4 (commencing with Section 5150) of Division 5 of that code and the voters of the authority are the voters of Monterey County.

CHAPTER 3. ORGANIZATION

67660. (a) The authority shall be governed by a board of 13 members composed of the following:

- (1) One member appointed by the City of Carmel.
- (2) One member appointed by the City of Del Rey Oaks.
- (3) Two members appointed by the City of Marina.
- (4) One member appointed by Sand City.
- (5) One member appointed by the City of Monterey.
- (6) One member appointed by the City of Pacific Grove.
- (7) One member appointed by the City of Salinas.
- (8) Two members appointed by the City of Seaside.
- (9) Three members appointed by Monterey County.

(b) Notwithstanding subdivision (a), any local agency that does not adopt a resolution favoring establishment of the Fort Ord Reuse Authority pursuant to Section 67656 shall not be required to appoint a voting member to the board. The failure of a local agency to appoint a voting member to the board pursuant to this subdivision shall not alter or reduce the powers and duties of the authority or the board in any manner.

(c) Each member agency may appoint one alternate for each of its positions on the board, and each alternate shall have all the rights and authority of a board member when serving in that board member's place.

(d) Each board member and each alternate shall be a member of the legislative body making the appointment, except that alternates appointed by the Monterey County Board of Supervisors shall be members of the board of supervisors or county staff. Board members and alternates shall serve at the pleasure of the member agency making the appointment.

67661. The following may serve as ex officio nonvoting members of the board:

(a) A representative appointed by the Monterey Peninsula Community College District.

(b) A representative appointed by the Monterey Peninsula Unified School District.

(c) A representative designated by the Member of Congress from the 17th Congressional District.

(d) A representative designated by the Senator from the 15th Senate District.

(e) A representative designated by the Assembly Member from the 27th Assembly District.

(f) A representative designated by the United States Army.

(g) A representative designated by the Chancellor of the California State University.

(h) A representative designated by the President of the University of California.

(i) A representative designated by the Monterey County Water Resources Agency.

(j) A representative designated by the Transportation Agency of Monterey County.

67662. The board may appoint or remove additional ex officio nonvoting members at its pleasure.

67663. The board shall provide by resolution the dates on which and the time and place at which regular meetings of the board shall be held. A copy of each resolution establishing the date, time, and place of a regular meeting shall be filed with the secretary of the board and the clerk or secretary of the legislative body of each of the members. The board shall comply with the provisions of the Ralph M. Brown Act (Chapter 9 (commencing with Section 54950) of Part 1 of Division 2 of Title 5).

67664. The board may adopt rules and regulations for the conduct of its meetings and activities.

67665. Notwithstanding the provisions of Article 4.7 (commencing with Section 1125) of Chapter 1 of Division 4 of Title 1, any member or ex officio member of the board who is also a member of another public agency, a county supervisor, or a city council person, and who has in that designated capacity voted or acted upon a particular matter, may vote or otherwise act upon or participate in the discussion of that matter as a member of the board.

67666. The secretary of the board shall maintain minutes of the meetings of the board and, as soon as possible after each meeting, shall cause a copy of the minutes to be forwarded to each member of the board.

67667. A majority of the voting members appointed to the board pursuant to Section 67660 shall constitute a quorum and may act for the authority.

67668. A resolution, ordinance, or other action of the board shall not be approved or adopted sooner than 72 hours after its

introduction, unless approved by unanimous vote of all members present at the time of consideration. Except as otherwise provided in this chapter, any action taken by the board shall require the affirmative vote of a majority of the appointed members of the board.

67669. The members of the board shall serve without compensation.

67670. The board shall elect from its own members a chair and a vice chair at the first board meeting held each year. Each shall serve a term of one year and may be reelected.

67671. The board shall determine the qualifications of, and shall appoint and fix the salary of, the executive officer of the agency, and shall employ or contract with other staff or consultants as may be necessary to execute the powers and functions provided for under this title, including, but not limited to, attorneys, financing consultants, planners, accountants, engineers, architects, contractors, appraisers, and other consultants and advisors.

67672. The chief administrative officer or city manager of each member agency, or his or her designee, may serve on an administrative committee to the board to provide advice, analysis, and recommendations to the board as the board may request from time to time.

67673. The board may, at its pleasure, appoint an additional advisory committee or committees to provide the board with options, critique, analysis, and other information as it finds useful, and may provide mechanisms through which a committee may report to the board.

CHAPTER 4. POWERS AND DUTIES

67675. (a) The board shall prepare, adopt, review, revise from time to time, and maintain a plan for the future use and development of the territory occupied by Fort Ord as of January 1, 1993. The adopted plan shall be the official local plan for the reuse of the base for all public purposes, including all discussions with the Army and other federal agencies, and for purposes of planning, design, and funding by all state agencies.

(b) Notwithstanding any other provision of this section, the board may adopt the "Final Base Reuse Plan" prepared by the Fort Ord Reuse Group as the Fort Ord Reuse Plan for purposes of this title. The plan adopted pursuant to this subdivision may serve as the Fort Ord Reuse Plan until July 1, 1995. The board may prepare elements described in subdivision (c) that are generally consistent with the adopted plan. After July 1, 1995, only a plan containing the required elements and fully satisfying the requirements of this title shall serve as the Fort Ord Reuse Plan.

(c) The Fort Ord Reuse Plan shall include all of the following elements:

- (1) A land use plan for the integrated arrangement and general

location and extent of, and the criteria and standards for, the uses of land, water, air, space, and other natural resources within the area of the base. The land use plan shall designate areas of the base for residential, commercial, industrial, and other uses, and may specify maximum development intensities and other standards and criteria. The land use plan shall provide for public safety.

(2) A transportation plan for the integrated development of a system of roadways, transit facilities, air transportation facilities, and appurtenant terminals and other facilities for the movement of people and goods to, from, and within the area of the base.

(3) A conservation plan for the preservation, development, use, and management of natural resources within the area of the base, including, but not limited to, soils, shoreline, scenic corridors along transportation routes, open spaces, wetlands, recreational facilities, historical facilities, and habitat of or for exceptional flora and fauna.

(4) A recreation plan for the development, use, and management of the recreational resources within the area of the base.

(5) A five-year capital improvement program that complies with the requirements of Section 65403. The program shall include an allocation of the available water supply, sewage treatment capacity, solid waste disposal capability, and other limited public service capabilities among the potential development within the area of the base. The program shall also identify both of the following:

(A) Base-wide facilities identified pursuant to Section 67679.

(B) Local facilities that are in the county or a city with territory occupied by Fort Ord and that primarily serve residents of the county or that city.

(d) In addition to the plan elements required pursuant to subdivision (c), the plan may also include any element or subject specified in Section 65302.

(e) The Fort Ord Reuse Plan may provide for development to occur in phases, with criteria concerning public facility development and other factors that must be satisfied within each time phase.

(f) In preparing, adopting, reviewing, and revising the reuse plan, the board shall be consistent with approved coastal plans, air quality plans, water quality plans, spheres of influence, and other county-wide or regional plans required by federal or state law, other than local general plans, including any amendments subsequent to the enactment of this title, and shall consider all of the following:

(1) Monterey Bay regional plans.

(2) County and city plans and proposed projects covering the territory occupied by Fort Ord or otherwise likely to be affected by the future uses of the base.

(3) Other public and nongovernmental entity plans and proposed projects affecting the planning and development of the territory occupied by Fort Ord.

67675.1. Notwithstanding the provisions of Title 7 (commencing with Section 65000), after the board has adopted a reuse plan, a member agency with jurisdiction within the territory of Fort Ord

may adopt and rely on the Fort Ord Reuse Plan, including any amendments thereto, for purposes of its territory within Fort Ord as its local general plan for purposes of Title 7 until January 1, 1996.

67675.2. After the board has adopted a reuse plan, each county or city with territory occupied by Fort Ord shall submit its general plan or amended general plan to the board, which satisfies both of the following:

(a) The plan is submitted pursuant to a resolution adopted by the county or city, after a noticed public hearing, that certified that the portion of the general plan or amended general plan applicable to the territory of Fort Ord is intended to be carried out in a manner fully in conformity with this title.

(b) It contains, in accordance with guidelines established by the board, materials sufficient for a thorough and complete review.

67675.3. (a) The board shall, within 90 days after the submittal, after a noticed public hearing, either certify or refuse to certify, in whole or in part, the portion of the general plan or amended general plan applicable to the territory of Fort Ord.

(b) Where a general plan or amended general plan is refused certification, in whole or in part, the board shall provide a written explanation and may suggest modifications, which, if adopted and transmitted to the board by the county or a city, will allow the amended general plan to be deemed certified upon confirmation of the executive officer of the board. The county or a city may elect to meet the board's refusal of certification in a manner other than as suggested by the board and may then resubmit its revised general plan to the board. If the county or a city requests that the board not recommend or suggest modifications which if made will result in certification, the board shall refuse certification with the required findings.

(c) The board shall approve and certify the portions of a general plan or amended general plan applicable to the territory of Fort Ord, or any amendments thereto, if the board finds that the portions of the general plan or amended general plan applicable to the territory of Fort Ord meets the requirements of this title, and is consistent with the Fort Ord Reuse Plan.

67675.4. (a) Within 30 days after the certification of a general plan or amended general plan, or any portion thereof, the board shall, after consultation with the county or a city, establish a date for that county or city to submit the zoning ordinances, zoning district maps, and, where necessary, other implementing actions applicable to the territory of Fort Ord.

(b) If the county or a city fails to meet the schedule established pursuant to subdivision (a), the board may waive the deadlines for board action on submitted zoning ordinances, zoning district maps, and, where necessary, other implementing actions, as set forth in Section 67675.5.

67675.5. (a) The county and cities shall submit to the board the zoning ordinances, zoning district maps, and, where necessary, other

implementing actions applicable to the territory of Fort Ord that are required pursuant to this title.

(b) The board may only reject zoning ordinances, zoning district maps, or other implementing actions on the grounds that they do not conform with, or are inadequate to carry out, the provisions of the certified general plan applicable to the territory of Fort Ord. If the board rejects the zoning ordinances, zoning district maps, or other implementing actions applicable to the territory of Fort Ord, it shall give written notice of the rejection specifying the provisions of the general plan with which the rejected zoning ordinances do not conform or which it finds will not be adequately carried out, together with its reasons for the action taken.

(c) The board may suggest modifications in the rejected zoning ordinances, zoning district maps, or other implementing actions, which, if adopted by the county or cities and transmitted to the board, shall be deemed approved upon confirmation by the executive officer of the board.

(d) The county or cities may elect to meet the board's rejection in a manner other than as suggested by the board and may then resubmit its revised zoning ordinances, zoning district maps, and other implementing actions to the board.

67675.6. (a) Except for appeals to the board, as provided in Section 67675.8, after the portion of a general plan applicable to Fort Ord has been certified and all implementing actions within the area affected have become effective, the development review authority shall be exercised by the respective county or city over any development proposed within the area to which the general plan applies.

(b) Subdivision (a) shall not apply to any development proposed or undertaken on any tidelands, submerged lands, or on public trust lands, whether filled or unfilled, lying within the coastal zone.

67675.7. After the board has certified a general plan or an amended general plan, any amendments to that certified plan that are applicable to the territory of Fort Ord shall take effect only upon certification in the same manner as for the initially certified plan, as provided in this title.

67675.8. (a) After the board has adopted a reuse plan pursuant to this title, any revision or other change to that plan which only affects territory lying within the jurisdiction of one member agency may only be adopted by the board if one of the following conditions is satisfied:

(1) The revision or other change was initiated by resolution adopted by the legislative body of the affected member agency and approved by at least a majority affirmative vote of the board.

(2) The revision or other change was initiated by the board or any entity other than the affected member agency and approved by at least a two-thirds affirmative vote of the board.

(b) (1) Notwithstanding any provision of law allowing any city or county to approve development projects, no local agency shall

permit, approve, or otherwise allow any development or other change of use within the area of the base that is not consistent with the plan as adopted or revised pursuant to this title. Except as required by state or federal law, other than state law authorizing cities and counties to approve development projects, the board shall be the final judge of this consistency with the requirements of this title. The board may adopt regulations to ensure compliance with the provisions of this title. No local agency shall permit, approve, or otherwise allow any development or other change of use within the area of the base that is outside the jurisdiction of that local agency.

(2) Subject to the consistency determinations required pursuant to this title, each member agency with jurisdiction lying within the area of Fort Ord may plan for, zone, and issue or deny building permits and other development approvals within that area. Actions of the member agency pursuant to this paragraph may be reviewed by the board on its own initiative, or may be appealed to the board. Under no circumstances shall development approvals of the following categories be held to be inconsistent with the Fort Ord Reuse Plan:

(i) The construction of one single family house or one multiple family house not exceeding four units on a vacant lot within an area appropriately designated in the plan.

(ii) Improvements to existing single family residences or to existing multiple family residences not exceeding four units, including remodels or room additions.

(iii) Remodels of the interior of any existing building or structure.

(iv) Repair and maintenance activities that do not result in an addition to, or enlargement or expansion of, any building or structure.

(v) Installation, testing, and placement in service or the replacement of any necessary utility connection between an existing service facility and development approved pursuant to this chapter.

(vi) Replacement of any building or structure destroyed by a natural disaster.

(c) The board may require any public or private entity seeking to initiate a revision or other change to a plan adopted pursuant to this section to pay a charge or charges sufficient to cover the reasonable costs of reviewing, evaluating, preparing, adopting, and publishing the proposed revision or change.

67677. The board may negotiate and enter into appropriate agreements with the United States or any of its agencies or departments for the purpose of determining the disposition, reuse, or conservation of the property or facilities within the area of Fort Ord.

67678. (a) The board shall be the principal local public agent for the acquisition, lease disposition, and sale of real property transferred pursuant to the "Pryor Amendment", except as otherwise provided in this section. The board may take title to property transferred pursuant to the "Pryor Amendment" within

the area of the base that is either turned over to the board by the federal government at no cost or that is purchased. The board may sell, lease, or otherwise dispose of this property at full market value or at less than full market value in order to facilitate the rapid and successful transition of the base to civilian use. In any transaction involving the transfer of federal property, the board shall fully satisfy all conditions, requirements, and understandings with the federal government with respect to the use and disposal of that property. In the sale, lease, or disposition of real property, the board shall follow the procedures and make those determinations that are required of redevelopment agencies pursuant to Article 11 (commencing with Section 33430) of Chapter 4 of Part 1 of Division 24 of the Health and Safety Code.

(b) The board may mediate and resolve conflicts between local agencies concerning the uses of federal land to be transferred for public benefit purposes or other uses.

(c) The provisions of this title shall not preclude negotiations between the federal government and any local telecommunication, water, gas, electric, or cable provider for the transfer to any such utility or provider of federally owned distribution systems and related facilities serving Fort Ord.

(d) The provisions of this title shall not be construed to limit the rights of the California State University or the University of California to acquire, hold, and use real property at Fort Ord, including locating or developing educationally related or research oriented facilities on this property.

(e) Except for property transferred to the California State University, or to the University of California, and that is used for educational or research purposes, and except for property transferred to the California Department of Parks and Recreation, all property transferred from the federal government to any user or purchaser, whether public or private, shall be used only in a manner consistent with the plan adopted or revised pursuant to Section 67675.

67679. (a) The board shall identify those base-wide public capital facilities described in the Fort Ord Reuse Plan, including, but not limited to, roads, freeway ramps, air transportation facilities, and freight hauling and handling facilities; sewage and water conveyance and treatment facilities; school, library, and other educational facilities; and recreational facilities, that serve residents or will serve future residents of the base territory and could most efficiently or conveniently be planned, negotiated, financed, or constructed by the board to further the integrated future use of the base. The board shall undertake to plan for and arrange the provision of those facilities, including arranging for their financing and construction. The board may plan, design, construct, and finance these public capital facilities, or delegate any of those powers to one or more member agencies.

(b) If all or any portion of the Fritzsche Army Air Field is

transferred to the City of Marina, the board shall not consider those portions of the air field that continue to be used as an airport to be base-wide capital facilities, except with the consent of the legislative body of the city. If all or any portion of the two Army golf courses within the territory of Seaside are transferred to the City of Seaside, the board shall not consider those portions of the golf courses that continue in use as golf courses to be base-wide capital facilities, except with the consent of the legislative body of the city.

(c) The board may seek state and federal grants and loans or other assistance to help fund public facilities.

(d) The board may, in any year, levy assessments, reassessments, or special taxes and issue bonds to finance these base-wide public facilities in accordance with, and pursuant to, any of the following:

(1) The Improvement Act of 1911 (Division 7 (commencing with Section 5000) of the Streets and Highways Code).

(2) The Improvement Bond Act of 1915 (Division 10 (commencing with Section 8500) of the Streets and Highways Code).

(3) The Municipal Improvement Act of 1913 (Division 12 (commencing with Section 10000) of the Streets and Highways Code).

(4) The Benefit Assessment Act of 1982 (Chapter 6.4 (commencing with Section 54703)).

(5) The Landscape and Lighting Act of 1972 (Part 2 (commencing with Section 22500) of Division 15 of the Streets and Highways Code).

(6) The Integrated Financing District Act (Chapter 1.5 (commencing with Section 53175) of Division 2 of Title 5).

(7) The Mello-Roos Community Facilities Act of 1982 (Chapter 2.5 (commencing with Section 53311) of Part 1 of Division 2 of Title 5).

(8) The Infrastructure Financing District Act (Chapter 2.8 (commencing with Section 53395) of Division 2 of Title 5).

(9) The Marks-Roos Local Bond Pooling Act of 1985 (Article 4 (commencing with Section 6584) of Chapter 5 of Division 7 of Title 1).

(10) The Revenue Bond Act of 1941 (Chapter 6 (commencing with Section 54300) of Division 2 of Title 5).

(11) Fire suppression assessments levied pursuant to Article 3.6 (commencing with Section 50078) of Chapter 1 of Part 1 of Division 1 of Title 5.

(12) The Habitat Maintenance Funding Act (Chapter 11 (commencing with Section 2900) of Division 3 of the Fish and Game Code).

Notwithstanding any other provision of law, the board may create any of these financing districts within the area of Fort Ord to finance base-wide public facilities without the consent of any city or county. Notwithstanding any other provision of law, no city or county with jurisdiction over any area of the base, whether now or in the future,

shall create any land-based financing district or levy any assessment or tax secured by a lien on real property within the area of the base without the consent of the board, except that the city or county may create these financing districts for the purposes and subject to any financing limitations that may be specified in the capital improvement program prepared pursuant to Section 67675.

(e) The board may levy development fees on development projects within the area of the base. Any development fees shall comply with the requirements of Chapter 5 (commencing with Section 66000) of Division 1 of Title 5. No local agency shall issue any building permit for any development within the area of Fort Ord until the board has certified that all development fees that it has levied with respect to the development project have been paid or otherwise satisfied.

67680. The board may enter into contracts and agreements as necessary to mitigate the impacts of the reuse of Fort Ord on rare and endangered species of flora and fauna. These contracts and agreements may include provisions for the long-term preservation and management of habitat areas, including acquisition or acceptance by the board of title to real property, restriction on the development of portions of the area of Fort Ord, and arrangements for the long-term management and biological monitoring of the flora and fauna of the base, including its financing.

67680.5. The board may enter into contracts and agreements as necessary to mitigate impacts of the reuse of Fort Ord in addition to those specified in Section 67680.

67681. The board may study, evaluate, and recommend cleanup of toxic and explosive substances within the area of the base to the federal government, including the Department of Defense, and the State of California, if it determines that doing so is in the best interests of the communities in the Monterey Bay area.

67683. The board shall aggressively pursue all possible federal funding for the transfer, cleanup, and reuse of Fort Ord, including funding to pay for the costs of public capital facilities and funding to attract and encourage the development of private businesses and public universities and other public facilities within the area of the base. The board may also pursue and accept federal and state funding to pay part of the expenses of operating the Fort Ord Reuse Authority.

67684. The board may take other action that is necessary or convenient to ensure the rapid and successful conversion of the area of Fort Ord to civilian use in a way that provides maximum benefits to the communities of the Monterey Bay area and the State of California.

67685. The applicability of any capital facilities fees imposed under this title to public educational agencies shall be subject to the provisions of Chapter 13.7 (commencing with Section 54999) of Part 1 of Division 2 of Title 5.

CHAPTER 5. FUNDING

67690. In addition to any funds received from federal and state agencies for the expenses of operating the Fort Ord Reuse Authority, the board may receive contributions from agencies represented on the board. Each agency represented by a board member shall contribute to the authority, on or before August 1 of each fiscal year, the sum of fourteen thousand dollars (\$14,000) for each board member that the agency appoints. Each public agency which is represented on the board by an ex officio member shall contribute to the authority, on or before August 1 of each fiscal year, the sum of seven thousand dollars (\$7,000). For purposes of this section, the term "public agency" does not include any elected official of the federal or state government.

67691. The board and the member agencies may provide by contract for the transfer to the board or between member agencies of revenues available from sales tax, property tax, or other sources in order to help finance the cost of paying for services or capital facilities to serve or enhance the development of Fort Ord. The contract or contracts may provide for the transfer of funds to member agencies with responsibility for providing services of facilities within the area of Fort Ord for a specified number of years, and for the repayment of those funds in later years with interest, or for repayment in the form of an equity interest in property, sales, or other tax revenues that may be payable as a result of development occurring within the area of Fort Ord. Any such contract shall be effective only upon approval by the board and the member agencies involved.

67692. The board shall consider a program of local revenue sharing among the member agencies to ensure an equitable apportionment of revenues generated from the reuse of Fort Ord among those member agencies responsible for the provision of services to Fort Ord and member agencies that assist in the funding of services to Fort Ord.

CHAPTER 6. PLEDGE

67695. The State of California does hereby pledge to and agree with the holders of any bonds issued, and with any public or private entity with which the board has entered into a contract or an agreement, pursuant to the provisions of this title, that the state will not alter or change the structure, organization, programs, or powers hereby vested in the board until those bonds are fully met or discharged and until the board has fully met or discharged its obligations pursuant to those agreements or contracts. However, nothing in this act shall preclude an alteration or change if, and when, adequate provision shall have been made by law for the protection from impairment of the contracts represented by those bonds or contracts or agreements, and the right to so alter or change

is hereby reserved. The board is authorized to include this pledge and undertaking of the state in its bonds and contracts or agreements.

CHAPTER 7. DISSOLUTION

67700. This title shall become inoperative when the board determines that 80 percent of the territory of Fort Ord that is designated for development or reuse in the plan prepared pursuant to this title has been developed or reused in a manner consistent with the plan adopted or revised pursuant to Section 67675, or June 30, 2014, whichever occurs first, and on January 1, 2015, this title is repealed.

The Monterey County Local Agency Formation Commission shall provide for the orderly dissolution of the authority including insuring that all contracts, agreements, and pledges to pay or repay money entered into by the authority are honored and properly administered, and that all assets of the authority are appropriately transferred.

SEC. 2. The Legislature finds and declares that this act, which establishes the Fort Ord Reuse Authority, is necessary to address the unique and special base reuse problems in the Fort Ord area of Monterey County. Therefore, a general statute within the meaning of Section 16 of Article IV of the California Constitution cannot be made applicable to this area. Enactment of this special statute is necessary for the transfer of the real and other property comprising the military reservation known as Fort Ord in an expeditious manner, and for base planning, infrastructure financing, and development in a manner that involves entities affected by the transfer.

SEC. 3. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to provide for the transfer of the real and other property comprising the military reservation known as Fort Ord in Monterey County and to initiate planning and development for that property as soon as possible, it is necessary for this act to take effect immediately.

CHAPTER 65

An act to amend Sections 25174, 25205.7, 25404.1, 25404.2, and 25404.4 of the Health and Safety Code, relating to hazardous substances, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor May 9, 1994. Filed with
Secretary of State May 10, 1994.]

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

SECTION 1. Section 25174 of the Health and Safety Code is amended to read:

25174. (a) There is in the General Fund a Hazardous Waste Control Account which shall be administered by the director. In addition to any other money transferred by the Legislature to the Hazardous Waste Control Account, all of the following amounts shall be deposited in the account:

(1) The fees collected pursuant to Sections 25187.2, 25205.2, 25205.5, 25205.6, 25205.7, 25205.8, and 25221.

(2) The surcharges collected pursuant to Section 25205.9.

(3) The amount of fees collected pursuant to Section 2560 of the Vehicle Code, as allocated by Section 25168.6.

(4) Any interest earned upon the money deposited in the Hazardous Waste Control Account.

(5) Any money received from the federal government pursuant to the federal act.

(6) Any fines or penalties collected pursuant to this chapter.

(7) All money received from the sources described in subdivisions (a) to (h), inclusive, of Section 25330. That money shall not be deposited in the Hazardous Substance Account unless they are transferred pursuant to subdivision (b).

(b) The funds deposited in the Hazardous Waste Control Account may be appropriated by the Legislature, for expenditure as follows:

(1) To the department for the administration of this chapter and Chapter 6.8 (commencing with Section 25300) and for state operational costs.

(2) To the department for allocation to the State Board of Equalization to pay refunds of fees collected pursuant to Sections 43051 and 43053 of the Revenue and Taxation Code.

(3) To the department for allocation to the State Board of Equalization to pay any refunds due relating to the surcharges collected pursuant to Section 43055 of the Revenue and Taxation Code.

(4) To the department for the costs of environmental epidemiology and health effects studies related to toxic substances, including extremely hazardous waste, as defined in Section 25115, and hazardous waste, as defined in Section 25117.

(5) (A) To the office of the Attorney General for the support of the Toxic Substance Enforcement Program in the office of the Attorney General, in carrying out the purposes of this chapter and Chapter 6.8 (commencing with Section 25300).

(B) Notwithstanding subdivision (c), expenditures for the purpose of this paragraph shall not be subject to an interagency or interdepartmental agreement.

(C) On or before October 1 of each year, the Attorney General shall report to the Legislature on the expenditure of any funds appropriated to the office of the Attorney General pursuant to this paragraph for the preceding fiscal year.

(6) To the department for allocation to the State Water Resources Control Board for costs incurred in the administration of Section 13227 of the Water Code and for costs incurred as a result of the inspection of underground storage tanks and related enforcement costs pursuant to Section 13301 of the Water Code.

(7) To the department for allocation to the Office of Emergency Services for the support of the state's program to implement the Emergency Planning and Community Right-to-Know Act of 1986 (42 U.S.C. Sec. 11001 et seq.).

(8) To the department upon transfer to the Hazardous Substance Account or the Site Remediation Account.

(9) (A) To the department for all purposes for which funds may be expended from the Hazardous Substance Account or the Hazardous Substance Cleanup Fund pursuant to Chapter 6.8 (commencing with Section 25300), with the exceptions of repayments of principal of, and interest on, bonds sold pursuant to Article 7.5 (commencing with Section 25385), and payments to contractors for site investigation, characterization, removal, or remediation.

(B) Funds expended pursuant to this paragraph shall be subject to the restrictions provided by Chapter 6.8 (commencing with Section 25300) on expenditures from the Hazardous Substance Account or the Hazardous Substance Cleanup Fund.

(c) Except for the appropriation to the office of the Attorney General pursuant to paragraph (5) of subdivision (b), all expenditures from the Hazardous Waste Control Account for support of departments or agencies other than the Department of Toxic Substances Control shall, after appropriation to the Department of Toxic Substances Control by the Legislature, be subject to an interagency or interdepartmental agreement between the Department of Toxic Substances Control and the department or agency receiving the support.

SEC. 2. Section 25205.7 of the Health and Safety Code is amended to read:

25205.7. (a) The board shall assess a fee for any application for a new hazardous waste facilities permit, a permit for a hazardous waste facility which would manage extremely hazardous waste, a variance, or a permit modification issued by the department pursuant to this

chapter or the regulations adopted pursuant to this chapter. The fee shall be nonrefundable, even if the application is withdrawn or the permit, variance, or modification is denied. The department shall provide the board with any information which is necessary to assess fees pursuant to this section. The fee shall be collected in accordance with Part 22 (commencing with Section 43001) of Division 2 of the Revenue and Taxation Code, and deposited into the Hazardous Waste Control Account. A person who submits a single application for a facility that falls within more than one fee category shall pay only the higher fee.

(b) The amounts stated in this section shall be base rates for the 1989-90 fiscal year. Thereafter the fees shall be adjusted annually to reflect increases or decreases in the cost of living, as measured by the Consumer Price Index for the United States, as reported by the Department of Labor or a successor agency of the United States government. The fee shall be assessed upon application to the department. For a facility operating pursuant to interim status, the submittal of the application shall be the submittal of the Part B application in accordance with regulations adopted by the department. A person who submits an application for renewal of any existing permit shall pay an amount equal to the fee that would have been assessed had the person requested the same changes in a modification application, but not less than one-half the fee required for a new permit.

(c) A person submitting a hazardous waste facilities permit application for a land disposal facility shall pay eighty-three thousand dollars (\$83,000) for a small facility, one hundred seventy-seven thousand dollars (\$177,000) for a medium facility, and three hundred four thousand dollars (\$304,000) for a large facility.

(d) A person submitting a hazardous waste facilities permit application for any incinerator shall pay fifty thousand dollars (\$50,000) for a small facility, one hundred six thousand dollars (\$106,000) for a medium facility, and one hundred eighty-two thousand dollars (\$182,000) for a large facility.

(e) (1) Except as provided in paragraphs (2) and (3), a person submitting a hazardous waste facility permit application for a storage facility, a treatment facility, or a storage and treatment facility shall pay seventeen thousand dollars (\$17,000) for a small facility, thirty-one thousand dollars (\$31,000) for a medium facility, and sixty thousand dollars (\$60,000) for a large facility.

(2) A person submitting an application for a standardized permit for a storage facility, a treatment facility, or a storage and treatment facility, as specified in Section 25201.6, shall pay thirty thousand fifty-one dollars (\$30,051) for a series A standardized permit, eighteen thousand seven hundred sixty-two dollars (\$18,762) for a series B standardized permit, and five thousand dollars (\$5,000) for a series C standardized permit. The board shall assess these fees based upon the classifications specified in subdivision (a) of Section 25201.6.

(3) In addition to the fees specified in paragraph (2), the board shall assess a fee equal to the department's costs in reviewing and overseeing any corrective action program described in the application for a standardized permit pursuant to subparagraph (C) of paragraph (2) of subdivision (c) of Section 25201.6, and in reviewing and overseeing any corrective action work undertaken at the facility pursuant to that corrective action program.

(f) A person submitting a hazardous waste facilities permit application for a transportable treatment unit shall pay thirteen thousand dollars (\$13,000) for a small unit, thirty thousand dollars (\$30,000) for a medium unit, and sixty thousand dollars (\$60,000) for a large unit.

(g) (1) A person submitting a request for a variance shall pay three thousand dollars (\$3,000) for a variance from any hazardous waste storage requirements imposed by this chapter, three hundred dollars (\$300) for a variance issued pursuant to Section 25179.8, three hundred dollars (\$300) for a variance to allow the use of a test method or analytical method which is an alternative to the methods prescribed by regulation for use in classifying a waste, eight hundred dollars (\$800) for a variance from the requirements for hazardous waste haulers imposed by this chapter.

(A) A person submitting a request for a variance not otherwise listed in this paragraph shall pay eight thousand dollars (\$8,000), unless the applicant is a small business and the department determines in its discretion that payment of this fee would cause financial or other unreasonable hardship to the applicant. If that finding is made, the department may assess the applicant up to 50 percent of the standard fee. For the purposes of this subparagraph, "small business" means a business which is independently owned and operated, has 25 employees or less, and has a gross annual income which does not exceed two million dollars (\$2,000,000).

(B) If the variance application requests a variance from more than one specific statute or regulation, a separate fee may be assessed for each statute or regulation from which the variance is requested.

(2) If the variance contains no significant changes from a variance previously issued to the same owner or operator, the fee shall be 25 percent of the amount otherwise provided for by this section. A change is a significant change if, had it been made to a permit, it would have been a class 2 or class 3 modification, as specified in subdivision (h).

(3) Any variance granted pursuant to Article 3 (commencing with Section 66260.21) of Chapter 10 of Division 4.5 of Title 22 of the California Code of Regulations is not subject to a fee under this section.

(h) (1) A person who applies for one or more class 1 permit modifications shall pay a fee of five hundred dollars (\$500) for each unit directly impacted by the modification, up to a maximum of one thousand five hundred dollars (\$1,500) for each application.

(2) A person who applies for one or more class 2 permit

modifications shall pay a fee equal to 20 percent of the fee for a new permit for that facility for each unit directly impacted by the modifications, up to a maximum of 40 percent for each application, except that each person who applies for one or more class 2 permit modifications for a land disposal facility or an incinerator shall pay a fee equal to 15 percent of the fee for a new permit for that facility for each unit directly impacted by the modifications, up to a maximum of 30 percent for each application.

(3) A person who applies for one or more class 3 permit modifications shall pay a fee equal to 40 percent of the fee for a new permit for that facility for each unit directly impacted by the modifications, up to a maximum of 80 percent for each application, except that a person who applies for one or more class 3 permit modifications for a land disposal facility shall pay a fee equal to 30 percent of the fee for a new permit for that facility for each unit directly impacted by the modifications, up to a maximum of 60 percent for each modification.

(4) No facility which is exempted from fees imposed by this article pursuant to subdivision (e) of Section 25205.3, nor any operator who is subject to paragraph (2) or (3) of subdivision (d) of Section 25205.2, shall be subject to any fee pursuant to this section for a permit modification resulting from a revision of the facility's or operator's closure plan.

(i) Permits for postclosure shall be required for hazardous waste facilities if hazardous wastes remain after closure which will not be subject to the requirements of any other hazardous waste facilities permit issued by the department at the time of postclosure permit approval.

(1) A person submitting a hazardous waste facilities permit application for a postclosure permit shall pay a fee of eight thousand dollars (\$8,000) for a small facility, eighteen thousand dollars (\$18,000) for a medium facility, and thirty thousand dollars (\$30,000) for a large facility.

(2) For purposes of this subdivision and paragraph (8) of subdivision (c) of Section 25205.4, and notwithstanding subdivision (j), any facility or unit is "small" if 0.5 tons (1,000 pounds) or less of hazardous waste remain after closure, "medium" if more than 0.5 tons (1,000 pounds), but less than 1,000 tons of hazardous waste remain after closure, and "large" if 1,000 or more tons of hazardous waste remain after closure.

(j) For purposes of this section, and notwithstanding Section 25205.1, any facility or unit is "small" if it manages 0.5 tons (1,000 pounds) or less of hazardous waste during any one month of the state's current fiscal year, "medium" if it manages more than 0.5 tons (1,000 pounds), but less than 1,000 tons, of hazardous waste during any one month of the state's current fiscal year, and "large" if it manages 1,000 or more tons of hazardous waste during any one month of the state's current fiscal year.

(k) The fees assessed pursuant to this section do not apply to any

permit or variance to operate a research, development, and demonstration facility, if the duration of the permit or variance is not longer than one year, unless the permit or variance is renewed pursuant to the regulations adopted by the department. For purposes of this section, a "research, development, and demonstration facility" is a facility which proposes to utilize an innovative and experimental hazardous waste treatment technology or process for which regulations prescribing permit standards have not been adopted.

(l) The fees assessed pursuant to this section do not apply to any of the following:

(1) Any variance issued to a public agency to transport wastes for purposes of operating a household hazardous waste collection facility, or to transport waste from a household hazardous waste collection facility, which receives household hazardous waste or hazardous waste from conditionally exempted small quantity generators pursuant to Article 10.8 (commencing with Section 25218).

(2) A permanent household hazardous waste collection facility.

(3) Any variance issued to a public agency to conduct a collection program for agricultural wastes.

(m) Except as provided in paragraph (3) of subdivision (e), the department shall not access any fees for the department's costs in reviewing and overseeing a corrective action taken in conjunction with a hazardous waste facility permit application.

(n) The fees assessed pursuant to subdivision (h) do not apply to any government agency for hazardous wastes which result when the government agency, or its contractor, investigates, removes, or remedies a release of hazardous waste caused by another person.

(o) Any person producing or transporting extremely hazardous waste shall pay a fee to the department of two hundred dollars (\$200) per calendar year, in addition to any other fee imposed by this section. The fee shall be collected by the department annually.

SEC. 3. Section 25404.1 of the Health and Safety Code is amended to read:

25404.1. (a) (1) All aspects of the unified program related to the adoption and interpretation of statewide standards and requirements shall be the responsibility of the state agency which is charged with that responsibility under existing law. For underground storage tanks, that agency shall be the State Water Resources Control Board. The Department of Toxic Substances Control shall have the sole responsibility for the issuances of variances pursuant to Section 25143, for the determination of whether or not a waste is hazardous or nonhazardous, and for the determination of whether or not a person is eligible to be deemed to be operating pursuant to a grant of conditional authorization pursuant to Section 25200.3, for conditional exemption pursuant to Section 25201.5, or for operation pursuant to a permit-by-rule.

(2) Those aspects of the unified program related to the

application of statewide standards to particular facilities, including the grant of authorizations, the issuance of permits, the review of reports and plans, and the enforcement of those standards and requirements against particular facilities, shall be the responsibility of the certified unified program agency, except as provided in paragraph (1).

(b) (1) On or before January 1, 1996, each county shall apply to the secretary to be certified as a unified program agency to implement the unified program within the unincorporated area of the county and within each city in the county, in which area or city, as of January 1, 1996, the city or other local agency has not applied to be the certified unified program agency.

(2) (A) Any city or other local agency which, as of December 31, 1995, has been designated as an administering agency pursuant to Section 25502, or which has assumed responsibility for the implementation of Chapter 6.7 (commencing with Section 25280) pursuant to Section 25283, may apply to the secretary to become the certified unified program agency to implement the unified program within the jurisdictional boundaries of the city or local agency.

(B) A city or other local agency which, as of December 31, 1995, has not been designated as an administering agency pursuant to Section 25502, or which has not assumed responsibility for the implementation of Chapter 6.7 (commencing with Section 25280) pursuant to Section 25283, may apply to the secretary to become the certified unified program agency within the jurisdictional boundaries of the city or local agency if it enters into an agreement with the county to become the certified unified program agency within those boundaries. A county shall not refuse to enter into an agreement unless it specifies in writing its reasons for failing to enter into the agreement. However, if the city does not enter into the agreement with the county, within 30 days of receiving a county's reasons for failing to enter into agreement, a city may request that the secretary allow it to apply to be a certified unified program agency and the secretary may, in his or her discretion, approve the request.

(3) A city, county, or joint powers agency may propose, in its application for certification to the secretary, to allow other public agencies to implement certain elements of the unified program, but the secretary shall accept that proposal only if the secretary makes the findings specified in subdivision (d) of Section 25404.3.

(4) If a city or other local agency which, as of December 31, 1995, has been designated as an administering agency pursuant to Section 25502, or has assumed responsibility for the implementation of Chapter 6.7 (commencing with Section 25280) pursuant to Section 25283, requests that the county propose in its application for certification to the secretary that the city or local agency implement, within the jurisdictional boundaries of the city or local agency, those elements of the unified program which, as of December 31, 1995, the city or local agency has authority to administer, the county shall

grant that request.

SEC. 4. Section 25404.2 of the Health and Safety Code is amended to read:

25404.2. (a) The certified unified program agency in each jurisdiction shall do all of the following:

(1) Develop and implement a program which consolidates all permits or other grants of authorization issued pursuant to the provisions specified in subdivision (c) of Section 25404, or pursuant to any local ordinance or regulation relating to the handling of hazardous waste or hazardous materials, into a single permit or grant of authorization.

(2) To the maximum extent feasible within statutory constraints, consolidate, coordinate, and make consistent any local or regional regulations, ordinances, requirements, or guidance documents related to the implementation of the provisions specified in subdivision (c) of Section 25404 or pursuant to any regional or local ordinance or regulation pertaining to hazardous waste or hazardous materials. This paragraph does not affect the authority of a certified unified program agency with regard to the preemption of the certified unified program agency's authority under state law.

(3) Develop and implement a single, unified inspection and enforcement program to ensure coordinated, efficient, and effective enforcement of the provisions specified in subdivision (c) of Section 25404, and any local ordinance or regulation pertaining to the handling of hazardous waste or hazardous materials.

(4) Coordinate, to the maximum extent feasible, the single, unified inspection and enforcement program with the inspection and enforcement program of other federal, state, regional, and local agencies which affect facilities regulated by the unified program. This paragraph does not prohibit the unified program agency, or any other agency, from conducting inspections, or from undertaking any other enforcement-related activity, without giving prior notice to the regulated entity, except where the prior notice is otherwise required by law.

(b) Each air quality management district or air pollution control district, each publicly owned treatment works, and each office, board, and department within the California Environmental Protection Agency, shall coordinate, to the maximum extent feasible, those aspects of its inspection and enforcement program which affect facilities regulated by the unified program with the inspection and enforcement programs of each certified unified program agency.

(c) The certified unified program agency may incorporate, as part of the unified program within its jurisdiction, the implementation and enforcement of laws which the agency is authorized to implement and enforce, other than those specified in subdivision (c) of Section 25404, if that incorporation will not impair the ability of the certified unified program agency to fully implement the requirements of subdivision (a).

SEC. 5. Section 25404.4 of the Health and Safety Code is amended

to read:

25404.4. (a) (1) The secretary shall periodically review the ability of each certified unified program agency to carry out this chapter. If a certified unified program agency fails to meet its obligations to adequately implement the unified program, the secretary may withdraw the agency's certification, or may enter into a program improvement agreement with the agency to make the necessary improvements. An agency with which the secretary has entered into a program improvement agreement may continue to implement the unified program while the program improvement agreement is in effect and the agency is in compliance with the agreement.

(2) Before withdrawing an agency's certification, the secretary shall submit to the certified unified program agency a notification of the secretary's intent to withdraw certification, in which the secretary shall specify the reasons why the certified unified program agency has failed to meet its obligations to adequately implement the unified program. The secretary shall provide the certified unified program agency with a reasonable time to respond to the reasons specified in the notification and to correct the deficiencies specified in the notification. The certified unified program agency may request a public hearing, at which the secretary shall hear the agency's response to the reasons specified in the notification.

(b) (1) If the secretary finds that a certified unified program agency has failed to adequately enforce the requirements of the unified program with respect to a particular facility, the secretary may direct the appropriate state agency to take any necessary actions and to issue necessary orders to the facility.

(2) If the secretary finds that the failure to adequately enforce the requirements of the unified program may result in an imminent and substantial endangerment to the environment or to the public health and safety, the secretary shall direct the appropriate state agency to take any necessary actions and to issue the necessary orders to the facility.

(3) This subdivision does not affect the authority of any state agency to take any other enforcement or implementation action authorized pursuant to state law.

SEC. 6. The amendment of Section 25205.7 of the Health and Safety Code made at the 1994 Regular Session of the Legislature does not constitute a change in, but is declaratory of, the existing law.

SEC. 7. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to ensure the timely implementation of state law intended to reduce the release of hazardous substances into the environment, thereby protecting health and safety and the environment, it is necessary that this act take effect immediately.

CHAPTER 66

An act to add Section 2079.11 to the Civil Code, relating to real property.

[Approved by Governor May 9, 1994. Filed with
Secretary of State May 10, 1994.]

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

SECTION 1. Section 2079.11 is added to the Civil Code, to read:
2079.11. (a) Except as provided in subdivision (b), to the extent permitted by law, the consumer information publications referred to in this article, including, but not limited to, the information booklets described in Section 10084.1 of the Business and Professions Code and Section 25402.9 of the Public Resources Code, shall be in the public domain and freely available.

(b) Notwithstanding subdivision (a), the Seismic Safety Commission may charge a royalty fee not to exceed twenty-five cents (\$0.25) per copy for the cost of developing, drafting, preparing, maintaining, updating, publishing, and disseminating the Homeowner's Guide to Earthquake Safety and the Commercial Property Owner's Guide to Earthquake Safety, until the commission has collected the actual cost thereof up to a total of three hundred seventy-five thousand dollars (\$375,000), or until December 31, 1995, whichever occurs first. After December 31, 1995, or the collection of three hundred seventy-five thousand dollars (\$375,000), whichever occurs first, the Homeowner's Guide to Earthquake Safety and the Commercial Property Owner's Guide to Earthquake Safety shall be in the public domain.

(c) Fees collected pursuant to this section shall be deposited in the General Fund and, upon appropriation, shall be made available to the Seismic Safety Commission for reimbursement expenses.

CHAPTER 67

An act to amend Section 25503.6 of the Business and Professions Code, relating to alcoholic beverages.

[Approved by Governor May 9, 1994. Filed with
Secretary of State May 10, 1994.]

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

SECTION 1. Section 25503.6 of the Business and Professions Code is amended to read:

25503.6. (a) Notwithstanding any other provision of this chapter, the holder of a beer manufacturer's or winegrower's license may

purchase advertising space and time from, or on behalf of, an on-sale retail licensee subject to all of the following conditions:

(1) The on-sale licensee is the owner, manager, agent of the owner, assignee of the owner's advertising rights, or the major tenant of the owner of either of the following:

(A) An outdoor stadium or a fully enclosed arena with a fixed seating capacity in excess of 10,000 seats located within a county of the eighth class, as defined in Section 28029 of the Government Code.

(B) A fully enclosed arena with a fixed seating capacity in excess of 18,000 seats located in Orange County.

(2) The outdoor stadium or fully enclosed arena described in paragraph (1) is not owned by a community college district.

(3) The advertising space or time is purchased only in connection with events to be held on the premises of the stadium or arena owned by the on-sale licensee.

(4) The on-sale licensee serves other brands of beer or wine in addition to the brand manufactured by the beer manufacturer or produced by the winegrower purchasing the advertising space or time.

(b) Any purchase of advertising space or time pursuant to subdivision (a) shall be conducted pursuant to a written contract entered into by the holder of the beer manufacturer's or winegrower's license and the on-sale licensee.

(c) Any holder of a beer manufacturer's or winegrower's license who, through coercion or other illegal means, induces a holder of a beer or wine wholesaler's license to fulfill those contractual obligations entered into pursuant to subdivision (a) or (b) shall be guilty of a misdemeanor and shall be punished by imprisonment in the county jail not exceeding six months, or by a fine in an amount equal to the entire value of the advertising space or time involved in the contract, plus ten thousand dollars (\$10,000), or by both imprisonment and fine. The person shall also be subject to license revocation pursuant to Section 24200.

CHAPTER 68

An act to amend Section 6660 of, to repeal Sections 6650, 6654, 6655, 6656, 6657, 6658, and 6659 of, to repeal Chapter 8 (commencing with Section 15150) of Division 5 of, and to repeal Chapter 4.5 (commencing with Section 18330) of Division 7 of, the Financial Code, relating to financial institutions, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor May 9, 1994. Filed with
Secretary of State May 10, 1994.]

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

SECTION 1. Section 6650 of the Financial Code is repealed.

SEC. 2. Section 6654 of the Financial Code is repealed.

SEC. 3. Section 6655 of the Financial Code is repealed.

SEC. 4. Section 6656 of the Financial Code is repealed.

SEC. 5. Section 6657 of the Financial Code is repealed.

SEC. 6. Section 6658 of the Financial Code is repealed.

SEC. 7. Section 6659 of the Financial Code is repealed.

SEC. 8. Section 6660 of the Financial Code is amended to read:
6660. (a) For the purposes of this section:

(1) "Account" means withdrawable or repurchasable shares, investment certificates, deposits, or savings accounts as defined in Section 561.2, 561.16, 561.28, 561.29, 561.42, or 563.6 of Title 12 of the Code of Federal Regulations pursuant to which the account holder from time to time may make deposits and effect withdrawals.

(2) "Account holder" means a person who is identified on the signature card for an account, or in the absence of a signature card, a person who has an interest in an account which is reflected on the records of the association for that account to whom statements of account or other notices are normally given, or the agent of such person.

(3) "Charges" means those charges which an association may, from time to time, impose on an account in the normal course of business in the operation of the account and, does not include:

(A) Charges which may be imposed for extraordinary services furnished at the specific request of the account holder.

(B) Charges or amounts required to be disclosed to the depositor pursuant to the Truth-in-Lending Act (15 U.S.C. Sec. 1601 et seq.) and Regulation Z (12 C.F.R. 226.1 et seq.), as amended.

(4) "Customer" means one or more natural persons.

(5) "Debt" means an interest-bearing obligation or an obligation that by its terms is payable in installments, which has not been reduced to judgment, arising from an extension of credit to a natural person primarily for personal, family, or household purposes, and does not mean a charge for savings and loan services, for a debit for uncollected funds, for dishonored checks cashed for a customer, or for an overdraft account imposed by an association on a savings account.

(b) An association is limited in exercising any setoff for a debt claimed to be owed to the association by a customer in that a setoff shall not result in an aggregate balance of less than one thousand dollars (\$1,000) as shown on the records of the association for all accounts maintained by a customer with the association or any of its branches.

(c) Not later than the day following the exercise of any setoff with

respect to an account for any debt claimed to be owed to the association by a customer, the association shall deliver to each customer personally or send by first-class mail postage prepaid to the address of each customer as shown on the records of the association a written notice in at least 10-point type containing the following:

(1) A statement that the association has set off all or part of a debt against the customer's account, identifying the account, and giving the respective balances before and after the setoff.

(2) A statement identifying the debt setoff against the account and giving the respective balances due before and after the setoff.

(3) A statement that if the customer claims that the debt has been paid or is not now owing, or that the funds in the account consist of moneys expressly exempt pursuant to Chapter 4 (commencing with Section 703.010) of Division 2 of Title 9 of Part 2 of the Code of Civil Procedure, and listed in the notice, the customer may execute and return the notice to the association by mail at the address shown or personally to the branch where the customer's account is maintained not later than 20 days after the date of mailing or personal delivery.

(4) A statement that (A) if the notice is executed and returned, the association may file an action in court to collect the debt, (B) that if a lawsuit is filed, the customer will be notified and have an opportunity to appear and defend, and (C) that if the association is successful, the customer will be liable for court costs, and attorney's fees, if the debt so provides.

(5) A response form in at least 10-point type containing substantially the following:

"The debt described in the Notice of Setoff received from the savings and loan association is ____ is not ____ my debt or the debt of another person in whose name the account is maintained.

"I claim that the debt:

____ has been paid.

____ is not now owing.

____ is not subject to setoff because the money in the account is:

____ Paid earnings (CCP 704.070)

____ Proceeds from execution sale of or insurance for loss of a motor vehicle (CCP 704.010)

____ Proceeds from execution sale of household furnishings or other personal effects (CCP 704.020)

____ Relocation benefits (CCP 704.180)

____ Life insurance proceeds (CCP 704.100)

____ Disability and health insurance benefits (CCP 704.130)

____ Workers' compensation benefits (CCP 704.160)

____ Unemployment or strike benefits (CCP 704.120)

____ Retirement benefits including, but not limited to, social security benefits (CCP 704.080, 704.110, 704.115)

____ Public assistance benefits including welfare payments and supplemental security income (SSI) or charitable aid (CCP 704.170)

and the federal deposit disclosure laws provide adequate safeguards for consumers. Furthermore, several provisions of the California deposit disclosure laws already were repealed on a de facto basis with the enactment of the federal deposit disclosure laws. Finally, in 1993, the Legislature repealed the California deposit disclosure laws pertaining to state-chartered banks, yet did not repeal the same laws which apply, respectively, to credit unions, savings associations, and industrial loan companies. Because of these facts, and the belief that it would not be in the public interest to continue to require financial institutions to comply with, and regulatory agencies to enforce, both the California deposit disclosure laws as well as the federal deposit disclosure laws, it is appropriate that the California deposit disclosure laws be repealed.

SEC. 12. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to provide immediate relief from regulatory redundancy and confusion and to provide parity among all state depository institutions, it is necessary that this act become effective immediately.

CHAPTER 69

An act to amend Sections 75504, 75506, 75516, 75523, 75524, 75532, 75533, 75534, 75535, 75538, 75539, 75542, 75543, 75544, 75582, 75585, 75589, 75595, 75596, 75597, 75598, 75601, 75611, 75612, 75613, 75614, 75615, 75616, 75618, 75619, 75631, 75633, 75636, and 75642 of, to amend and renumber Section 75514 of, to amend and renumber the headings of Article 6 (commencing with Section 75581), Article 7 (commencing with Section 75611), and Article 9 (commencing with Section 75641) of Chapter 13.5 of Division 22 of, to add Sections 75514, 75520.5, 75595.5, 75630, 75643.1, and 75643.2 to, to add an article heading immediately preceding Section 75630 of, to add Article 8 (commencing with Section 75651) to Chapter 13.5 of Division 22 of, to repeal Sections 75517, 75526, and 75600 of, to repeal Article 4 (commencing with Section 75551) and Article 5 (commencing with Section 75571) of Chapter 13.5 of Division 22 of, to repeal the heading of Article 8 (commencing with Section 75631) of Chapter 13.5 of Division 22 of, and to repeal and add Sections 75520, 75531, 75536, and 75617 of, the Food and Agricultural Code, relating to agriculture, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor May 9, 1994. Filed with
Secretary of State May 10, 1994.]

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

SECTION 1. Section 75504 of the Food and Agricultural Code is amended to read:

75504. No action taken by the commission or by any individual in accordance with this chapter or with the regulations adopted under this chapter, is a violation of the so-called Cartwright Act (Chapter 2 (commencing with Section 16700) of Part 2 of Division 7 of the Business and Professions Code), the Unfair Practices Act (Chapter 4 (commencing with Section 17000) of Part 2 of Division 7 of the Business and Professions Code), or any statutory or common law against monopolies or combinations in restraint of trade.

SEC. 2. Section 75506 of the Food and Agricultural Code is amended to read:

75506. It is hereby declared as a matter of legislative determination that members of the commission are intended to represent and further the interest of a particular agricultural industry concerned and that this representation and furtherance is intended to serve the public interest. Accordingly, the Legislature finds that with respect to persons who are elected or appointed to the commission, the particular agricultural industry concerned is tantamount to and constitutes the public generally within the meaning of Section 87103 of the Government Code.

SEC. 3. Section 75514 of the Food and Agricultural Code is amended and renumbered to read:

75526. "Secretary" means the Secretary of Food and Agriculture.

SEC. 4. Section 75514 is added to the Food and Agricultural Code, to read:

75514. (a) "Districts" consist of the following:

(1) District 1 consists of the Counties of Imperial, Kern, San Bernardino, San Diego, San Luis Obispo, Santa Barbara, Los Angeles, Orange, Riverside, and Ventura.

(2) District 2 consists of the Counties of Alpine, Fresno, Inyo, Kings, Madera, Mariposa, Merced, Mono, Monterey, San Benito, Tulare, and Tuolumne.

(3) District 3 consists of the Counties of Alameda, Amador, Butte, Calaveras, Colusa, Contra Costa, Del Norte, El Dorado, Glenn, Humboldt, Lake, Lassen, Marin, Mendocino, Modoc, Napa, Nevada, Placer, Plumas, Sacramento, San Francisco, San Joaquin, San Mateo, Santa Clara, Santa Cruz, Shasta, Sierra, Siskiyou, Solano, Sonoma, Stanislaus, Sutter, Tehama, Trinity, Yolo, and Yuba.

(b) The boundaries of any district may be changed by a two-thirds vote of the members of the commission, which is concurred in by the secretary, when necessary to maintain similar total production among the districts and to ensure proper representation. These boundaries need not coincide with county lines.

SEC. 5. Section 75516 of the Food and Agricultural Code is amended to read:

75516. "Handler" means any person engaged in packing apples for fresh consumption or engaged in marketing apples for fresh consumption that the person has produced or that the person is marketing on behalf of a producer either directly or through an agent, employee, broker, or otherwise, and who, upon request by the commission, provides proof that he or she is engaged in handler activities.

SEC. 6. Section 75517 of the Food and Agricultural Code is repealed.

SEC. 7. Section 75520 of the Food and Agricultural Code is repealed.

SEC. 8. Section 75520 is added to the Food and Agricultural Code, to read:

75520. "Marketing year" means the period beginning July 1 of each year and extending through June 30 of the following year.

SEC. 9. Section 75520.5 is added to the Food and Agricultural Code, to read:

75520.5. "Member" means a person who serves on the commission's board of directors.

SEC. 10. Section 75523 of the Food and Agricultural Code is amended to read:

75523. "Producer" means any person who is engaged in the business of producing, or causing to be produced, apples for market, and who, upon request of the commission, provides proof of commodity sale.

SEC. 11. Section 75524 of the Food and Agricultural Code is amended to read:

75524. "Production research" means any research related to pest control and to the production, harvest, and postharvest handling of apples, other than marketing research.

SEC. 12. Section 75526 of the Food and Agricultural Code is repealed.

SEC. 13. Section 75531 of the Food and Agricultural Code is repealed.

SEC. 14. Section 75531 is added to the Food and Agricultural Code, to read:

75531. (a) There is in the state government the California Apple Commission.

(b) Except as provided in subdivision (e), the commission shall consist of 12 producer and handler members as specified in this article, and one public member.

(c) Except as provided in subdivision (e), eligible persons from within the respective districts shall elect three producers and one handler from District 1, three producers and one handler from District 2, and three producers and one handler from District 3.

(d) The public member shall be appointed to the commission by the secretary from nominees recommended by other members of

the commission.

(e) The commission may modify the number of producers who serve on the commission to no less than six members and no more than 15 members, and may modify the number of producers elected from each district. There shall be three handlers on the commission, one from each district.

(f) The secretary and other persons, as determined by the commission, shall be *ex officio* members of the commission.

SEC. 15. Section 75532 of the Food and Agricultural Code is amended to read:

75532. (a) The secretary may require the commission to correct or cease any activity or function of the commission that is determined by the secretary not to be in the public interest or that is in violation of this chapter.

(b) If the commission refuses or fails to cease the specified activities or functions or to make corrections required by the secretary, the secretary, upon written notice, may suspend all or a portion of the activities or functions of the commission until the time that the cessation or correction of the activities or functions, as required by the secretary, has been accomplished by the commission.

(c) Any action of the commission in violation of the written notice is without legal force or effect. The secretary, to the extent feasible, shall issue the written notice prior to the commission entering into any contractual relationship affecting the existing or proposed activities or functions that are the subject of the written notice.

(d) At the same time the written notice is provided to the commission, the secretary shall notify the commission in writing of the specific acts that the secretary determines are not in the public interest or are in violation of this chapter, the secretary's reasons for requiring a cessation or correction of specific existing or proposed activities or functions, and the secretary's recommendations with respect to any action that will make the activities or functions acceptable.

SEC. 16. Section 75533 of the Food and Agricultural Code is amended to read:

75533. The commission or the secretary may bring an action for judicial relief from the secretary's written notice, or from noncompliance by the commission with the written notice, as the case may be, in a court of competent jurisdiction, which may issue a temporary restraining order, permanent injunction, or other appropriate relief.

SEC. 17. Section 75534 of the Food and Agricultural Code is amended to read:

75534. If the secretary is required to concur in a decision of the commission, the secretary shall concur, refuse to concur, or request additional information from the commission within 15 working days from the date the secretary receives the notification of the decision.

SEC. 18. Section 75535 of the Food and Agricultural Code is

amended to read:

75535. The commission shall reimburse the secretary for all expenditures incurred by the secretary in carrying out his or her duties and responsibilities pursuant to this chapter. However, a court, if it finds that the secretary acted arbitrarily or capriciously in restricting the activities or functions of the commission, may relieve the commission of the responsibility for payment of the secretary's legal costs with regard to that action.

SEC. 19. Section 75536 of the Food and Agricultural Code is repealed.

SEC. 20. Section 75536 is added to the Food and Agricultural Code, to read:

75536. (a) Three alternative members, one from each district, shall be selected pursuant to procedures adopted by the commission.

(b) Under procedures established by the commission, any alternate member may serve in place of any absent member on the commission in the alternate's district and shall have all of the rights, privileges, and powers of the member when serving on the commission.

(c) In the event of the death, removal, resignation, or disqualification of a member, the alternate member shall act as a member of the commission until a qualified successor is elected.

SEC. 21. Section 75538 of the Food and Agricultural Code is amended to read:

75538. (a) Any producer member shall be a producer or an employee representing a producer who has a financial interest in producing, or causing to be produced, apples for market. Qualifications of producer members shall be maintained during their entire term of office.

(b) Any handler member, or employee representing that person, shall have a financial interest in marketing or packing apples for market. Qualifications of handler members shall be maintained during their entire term of office.

(c) The public member and alternate on the commission, if appointed, shall have all of the powers, rights, and privileges of any other member or alternate member, respectively, on the commission. The public member and alternate, if appointed, shall not have any financial interest in the apple industry.

(d) Not more than one member and one alternate member shall be persons employed by, or connected in a proprietary capacity with, the same corporation, firm, partnership, association, or business organization. Any alternate serving on the commission who is employed by, or connected in a proprietary capacity with, a person serving as a member on the commission from the same company, firm, partnership, or business organization shall serve as an alternate to the member.

SEC. 22. Section 75539 of the Food and Agricultural Code is amended to read:

75539. The term of office of each member, except ex officio

members, is three years, commencing with the beginning of the following marketing year and until a qualified successor is elected or appointed, unless the term is earlier terminated pursuant to subdivision (e) of Section 75531 in accordance with procedures established by the commission.

However, with respect to the first producer and handler members of the commission, one-third shall serve for one year, one-third shall serve for two years, and one-third shall serve for three years, with the determination of the term of each member within each category to be made by lot.

SEC. 23. Section 75542 of the Food and Agricultural Code is amended to read:

75542. A quorum of the commission is a majority of the voting members. Except as otherwise provided in this chapter, the vote of a majority of the members present at a meeting at which there is a quorum constitutes the act of the commission.

SEC. 24. Section 75543 of the Food and Agricultural Code is amended to read:

75543. The secretary or his or her representatives shall be notified and may attend each meeting of the commission and any committee meeting of the commission. However, the secretary may not attend an executive session of the commission called for the purpose of discussing potential or actual litigation against the secretary.

SEC. 25. Section 75544 of the Food and Agricultural Code is amended to read:

75544. No member or alternate member of the commission, or member of a committee established by the commission who is a nonmember of the commission, shall receive any compensation. Each member of the commission or each alternate member serving in place of a member, except ex officio members, and each member of a committee established by the commission who is a nonmember of the commission, may receive necessary traveling expenses and meal allowances as approved by the commission.

SEC. 26. Article 4 (commencing with Section 75551) of Chapter 13.5 of Division 22 of the Food and Agricultural Code is repealed.

SEC. 27. Article 5 (commencing with Section 75571) of Chapter 13.5 of Division 22 of the Food and Agricultural Code is repealed.

SEC. 28. The heading of Article 6 (commencing with Section 75581) of Chapter 13.5 of Division 22 of the Food and Agricultural Code is amended and renumbered to read:

Article 4. Powers and Duties of the Commission

SEC. 29. Section 75582 of the Food and Agricultural Code is amended to read:

75582. The commission may adopt, amend, and repeal regulations and operating procedures necessary to carry out this chapter, including regulations governing appeals from actions taken

by the commission pursuant to any of its regulations or operating procedures.

SEC. 30. Section 75585 of the Food and Agricultural Code is amended to read:

75585. The commission may employ a person to serve at the pleasure of the commission as president and chief executive officer of the commission, and other personnel, including legal counsel, necessary to carry out this chapter. The commission may retain a management firm or the staff from any board, commission, or agency of the state or federal government to perform the functions prescribed by this section under the control of the commission. If any person employed by the commission engages in any conduct that the secretary determines is not in the public interest or that is in violation of this chapter, the secretary shall notify the commission of the conduct and request that corrective and, if appropriate, disciplinary action be taken by the commission. If the commission fails or refuses to correct the situation or to take disciplinary action satisfactory to the secretary, the secretary may suspend or discharge the person.

SEC. 31. Section 75589 of the Food and Agricultural Code is amended to read:

75589. The commission shall keep accurate books, records, and accounts of all its dealings that shall be subject to an annual audit by an auditing firm selected by the commission with the concurrence of the secretary. A summary of the audit shall be reported to all producers and a copy of the summary shall also be submitted to the secretary. In addition, the secretary, as he or she determines necessary, may conduct, or cause to be conducted, a fiscal and compliance audit of the commission.

SEC. 32. Section 75595 of the Food and Agricultural Code is amended to read:

75595. The commission may collect information, and publish and distribute without charge, bulletins and other communications for dissemination of information.

SEC. 33. Section 75595.5 is added to the Food and Agricultural Code, to read:

75595.5. The commission may establish an annual assessment rate to defray the operating costs of the commission.

SEC. 34. Section 75596 of the Food and Agricultural Code is amended to read:

75596. The commission shall adopt an annual budget according to accepted practices. The secretary shall concur in the adoption of the budget prior to the encumbrance of funds, except for encumbrances necessary to pay the compensation of employees of the commission.

SEC. 35. Section 75597 of the Food and Agricultural Code is amended to read:

75597. The commission shall annually prepare and submit to the secretary, for his or her concurrence, a statement of contemplated activities authorized pursuant to this chapter.

SEC. 36. Section 75598 of the Food and Agricultural Code is amended to read:

75598. The commission and the secretary shall keep confidential and shall not disclose, except when required by court order in a judicial proceeding, all lists of persons subject to this chapter in their possession.

SEC. 37. Section 75600 of the Food and Agricultural Code is repealed.

SEC. 38. Section 75601 of the Food and Agricultural Code is amended to read:

75601. (a) The commission may recommend to the secretary the adoption of maturity standards authorized pursuant to the California Marketing Act of 1937 (Chapter 1 (commencing with Section 58601) of Part 2 of Division 21) that are in accordance with the procedures specified in that act, unless otherwise specified in this article.

(b) Any standards that are adopted shall be implemented by the secretary at the beginning of the marketing year next succeeding the date in which they were approved by the secretary.

(c) Any standards recommended by the commission and approved by the secretary shall not be operative until approved by the vote specified in Section 75612.

(d) The commission shall serve as the advisory body to the secretary on all matters pertaining to this section.

SEC. 39. The heading of Article 7 (commencing with Section 75611) of Chapter 13.5 of Division 22 of the Food and Agricultural Code is amended and renumbered to read:

Article 5. Implementation and Voting Procedures

SEC. 40. Section 75611 of the Food and Agricultural Code is amended to read:

75611. (a) Within 90 days of the effective date of the amendments made to this section during the 1994 portion of the 1993-94 Regular Session of the Legislature, the secretary shall establish a list of producers eligible to vote. In establishing the list, the secretary may require that producers, handlers, and agricultural commissioners submit the names and mailing addresses of all known producers who are subject to this chapter. The secretary also may require that the information provided include the quantity of apples produced by each producer or, in the alternative, may establish procedures for receiving the information at the time of the referendum vote specified in this article. The request for the information shall be in writing, and the requested information shall be filed within 30 days following receipt of the request.

(b) Any person whose name does not appear upon the appropriate list may have his or her name placed on the list by filing with the secretary a signed statement identifying himself or herself as a person eligible to vote. The absence of a person's name from the list shall not exempt the person from paying assessments and shall

not invalidate any industry votes conducted pursuant to this article.

(c) Proponents and opponents of the commission may contact producers on the lists in a form and manner prescribed by the commission as long as all expenses associated with the contacts are paid in advance.

SEC. 41. Section 75612 of the Food and Agricultural Code is amended to read:

75612. This chapter, except as necessary to conduct an implementation referendum vote, shall not become operative until the secretary finds, in a referendum vote conducted by the secretary, that at least 40 percent of the total number of producers from the list established by the secretary pursuant to this article have participated and that either one of the following has occurred:

(a) Sixty-five percent of the eligible producers who voted in the referendum voted in favor of this chapter, and the eligible producers so voting produced and marketed a majority of the total quantity of apples in the current marketing year by all of the eligible producers who voted in the referendum.

(b) A majority of the eligible producers who voted in the referendum voted in favor of this chapter, and the eligible producers so voting produced and marketed 65 percent or more of the total quantity of apples in the current marketing year by all of the eligible producers who voted in the referendum.

SEC. 42. Section 75613 of the Food and Agricultural Code is amended to read:

75613. The secretary shall establish a period to conduct the referendum that shall not be less than 10 days or more than 60 days in duration, and may prescribe additional procedures that may be necessary to conduct the referendum. If the initial period established is less than 60 days, the secretary may extend the period to not more than 60 days.

SEC. 43. Section 75614 of the Food and Agricultural Code is amended to read:

75614. The failure of an eligible producer to receive a ballot shall not invalidate a referendum.

SEC. 44. Section 75615 of the Food and Agricultural Code is amended to read:

75615. If the secretary finds that a favorable vote has been given as provided in this article, the secretary shall certify and give notice of the favorable vote to all persons whose names and addresses are on file with the secretary.

SEC. 45. Section 75616 of the Food and Agricultural Code is amended to read:

75616. If the secretary finds that a favorable vote has not been given as provided in this article, the secretary shall certify and declare this chapter inoperative. The secretary may conduct another implementation referendum vote one or more years after the previous vote has been taken.

SEC. 46. Section 75617 of the Food and Agricultural Code is

repealed.

SEC. 47. Section 75617 is added to the Food and Agricultural Code, to read:

75617. Upon certification of the commission, the secretary shall appoint the producer and handler members of the initial commission's board of directors from a list of eligible persons submitted to the secretary, or shall contact all eligible producers and handlers in each district by mail, or shall call meetings in each district for the purpose of nominating and electing persons to the commission. To be eligible for election, nominees, who may be producers or handlers, shall present to the secretary a nomination petition with the signatures of at least five eligible persons from the district from which the nominee is seeking election. Eligible persons may be nominated and elected from any district in which they produce or handle apples. Only eligible producers may vote for nominees, and each eligible producer may cast one vote in each district in which he or she produces apples. The volume of apples marketed by eligible producers who vote shall not be considered when tabulating the votes to elect members and alternate members to the commission.

SEC. 48. Section 75618 of the Food and Agricultural Code is amended to read:

75618. Subsequent to the first election of members of the commission pursuant to this chapter, persons to be elected to the commission shall be selected pursuant to nomination and election procedures that are adopted by the commission with the concurrence of the secretary.

SEC. 49. Section 75619 of the Food and Agricultural Code is amended to read:

75619. (a) Prior to the secretary holding the referendum pursuant to this article, the proponents of the commission shall deposit with the secretary the amount that the secretary determines necessary to defray the expenses of preparing the necessary lists and information and conducting the referendum.

(b) Any funds not used in carrying out this article shall be returned to the proponents of the commission who deposited the funds with the secretary.

(c) Upon the establishment of the commission, the commission may reimburse the proponents of the commission for any funds deposited with the secretary that were used in carrying out this article and for any legal expenses and other costs incurred in establishing the commission.

SEC. 50. An article heading is added immediately preceding Section 75630 as Article 6 (commencing with Section 75630) of Chapter 13.5 (commencing with Section 75501) of Division 22 of the Food and Agricultural Code, to read:

Article 6. Assessments and Records

SEC. 51. Section 75630 is added to the Food and Agricultural Code, to read:

75630. (a) The commission shall establish the assessment for the marketing year by July 1 of each year or as soon thereafter as is possible.

(b) The assessment shall be one-fourth cent (\$.0025) per pound of apples marketed for fresh consumption during the 1994-95 marketing year. Thereafter, the assessment shall not exceed three-fourth cent (\$.0075) per pound of apples marketed for fresh consumption, except as provided in subdivision (d).

(c) Assessments provided for in this section shall be levied on the producer. The handler shall deduct the assessment from amounts paid by him or her to the producer, and is a trustee of the funds until they are paid to the commission at the time and in the manner prescribed by the commission.

(d) An assessment greater than the amount provided for in subdivision (b) may not be charged unless a greater fee is approved by a majority of the commission and by eligible producers pursuant to procedures specified in Section 75612.

SEC. 52. The heading of Article 8 (commencing with Section 75631) of Chapter 13.5 of Division 22 of the Food and Agricultural Code is repealed.

SEC. 53. Section 75631 of the Food and Agricultural Code is amended to read:

75631. This chapter shall not apply to producers who produce no more than 40,000 pounds of apples per year and to production on a noncommercial basis for the producer's home use, or where the trees are used only for ornamental purposes. Producers from whom assessments are collected may apply for the refund of the payments following the close of any marketing season in which the payments have been made, and the commission shall refund the payments if the producer can demonstrate, to the satisfaction of the commission, that he or she is not subject to this chapter.

SEC. 54. Section 75633 of the Food and Agricultural Code is amended to read:

75633. (a) All proprietary information obtained by the commission or the secretary from producers or handlers is confidential and shall not be disclosed except when required by court order in a judicial proceeding.

(b) Information on volume shipments, product value, and any other related information that is required for reports to governmental agencies, financial reports to the commission, or aggregate sales and inventory information, and any other information that the commission requires that gives only totals, but excludes producer or handler information, may be disclosed by the commission.

SEC. 55. Section 75636 of the Food and Agricultural Code is

amended to read:

75636. Any producer or handler who fails to file a return or pay the assessment within the time required by the commission shall pay to the commission a penalty of 10 percent of the amount of the assessment determined to be due and, in addition, pay 1.5 percent interest per month on the unpaid balance. In addition to any other penalty imposed, the commission may require any person who fails to pay any assessment or related charge pursuant to this article to furnish and maintain a surety bond in a form and amount, and for a period of time, specified by the commission, as assurance that all payments to the commission will be made when due.

SEC. 56. The heading of Article 9 (commencing with Section 75641) of Chapter 13.5 of Division 22 of the Food and Agricultural Code is amended and renumbered to read:

Article 7. Actions and Penalties

SEC. 57. Section 75642 of the Food and Agricultural Code is amended to read:

75642. The commission shall adopt procedures to grant individuals aggrieved by its actions or determinations an informal hearing before the commission or before a committee of the commission designated for this purpose. Appeals from decisions of the commission may be made to the secretary. The determination of the secretary is subject to judicial review upon petition filed with the appropriate superior court.

SEC. 58. Section 75643.1 is added to the Food and Agricultural Code, to read:

75643.1. Any action by the commission to recover any penalty or obtain any other remedy that is prescribed under this chapter shall be commenced within two years from the date of the alleged violation. Any action against the commission by any person shall be commenced by the commission within two years from the date of the act of which the person complains.

SEC. 59. Section 75643.2 is added to Food and Agricultural Code, to read:

75643.2. It is not necessary for the commission to allege or prove that an adequate remedy at law does not exist in any action brought under this chapter.

SEC. 60. Article 8 (commencing with Section 75651) is added to Chapter 13.5 of Division 22 of the Food and Agricultural Code, to read:

Article 8. Continuation or Suspension and Termination

75651. During the marketing year that occurs five years after the implementation of this chapter, the commission shall conduct a referendum to determine whether the operations of this chapter shall be approved and continued in effect.

There is a favorable vote under this chapter if the secretary determines from the referendum that a majority of the eligible persons voted in favor of continuing the operations of this chapter. If the secretary finds that a favorable vote has been given, the secretary shall so certify and this chapter shall remain in effect.

If the secretary finds that a favorable vote has not been given, the secretary shall so certify and declare the operations of this chapter suspended at the end of the marketing year. Thereupon, operation of the commission shall be concluded and funds distributed in the manner provided in this chapter. No bond or security shall be required for the referendum.

75652. Following a favorable referendum conducted in accordance with this article, the commission shall conduct a referendum every fifth year thereafter, unless a referendum is conducted as the result of a petition filed pursuant to this article. In that case, the referendum shall be held every fifth year, pursuant to the procedure provided in Section 75651, following the industry petitioned referendum.

75653. (a) Upon a finding by a two-thirds vote of the membership of the commission that the operation of this chapter has not tended to effectuate its declared purposes, the commission may recommend to the secretary that the operation of this chapter be suspended. However, any suspension shall not become effective until the expiration of the current marketing year.

(b) The secretary shall, upon receipt of the recommendation, or may, after a public hearing to review a petition filed with the secretary requesting a suspension signed by not less than 20 percent of the eligible producers by number who produced not less than 20 percent of the total volume of apples in the immediately preceding marketing year, hold a referendum to determine if the operations of the commission shall be suspended. However, the secretary shall not hold a referendum as a result of the petition unless the petitioner shows, by a preponderance of evidence, in a manner prescribed by the secretary, that the operation of this chapter has not tended to effectuate its declared purposes.

(c) The secretary shall establish a referendum period, which shall not be less than 10 days or more than 60 days in duration. The secretary may prescribe additional procedures as may be necessary to conduct the referendum. At the close of the established referendum period, the secretary shall tabulate the ballots filed during the period. The secretary shall suspend the operation of this chapter if the secretary finds that at least 40 percent of the total number of persons from the list established by the secretary have participated in the referendum and that either one of the following has occurred:

(1) Sixty-five percent or more of the eligible producers who voted in the referendum voted in favor of suspension, and the eligible producers so voting produced and marketed a majority of the total quantity of apples in the preceding marketing year by all of the

eligible producers who voted in the referendum.

(2) A majority of the eligible producers who voted in the referendum voted in favor of suspension, and the eligible producers so voting produced and marketed 65 percent or more of the total quantity of apples in the preceding marketing year by all of the eligible producers who voted in the referendum.

75654. (a) The secretary shall terminate the commission at the end of the then current marketing year if the secretary finds that the termination of the commission is requested in writing, within a 90-day period, by at least 51 percent of the eligible producers that produce and market at least 51 percent of the total volume of apples.

(b) The person or persons originating the request shall file a written notice with the secretary in a manner that establishes the date the request is initiated. Any person may withdraw his or her name from the petition requesting the termination prior to the time the request is presented to the secretary.

(c) The signatures on the petition requesting the termination need not all be appended to one sheet of paper. Each person signing the petition shall specify his or her place of business in a manner that will enable the location to be readily ascertained.

(d) The petition shall bear a copy of the notice of intention to terminate the commission. Signatures shall be secured within the time limit specified in this section.

75655. After the effective date of the suspension, the operation of the commission shall be concluded and any and all funds remaining, held by the commission, and not required to defray the expenses of concluding and terminating the operations of the commission, shall be returned upon a pro rata basis to all persons from whom assessments were collected in the immediately preceding marketing year. However, if the commission finds that the amounts so returnable are so small as to make impractical the computation and remitting of the pro rata refund to these persons, any funds remaining, after the payment of all expenses of winding up and terminating operations, shall be withdrawn from the approved depository and paid into an appropriate program conducted by the University of California or the California State University, or another state agency that deals with the purposes of this chapter. If no program exists, the funds shall be paid into the State Treasury as unclaimed trust funds.

75656. Upon suspension of this chapter, the commission shall mail a copy of the notice of suspension to all producers and handlers whose names and addresses are on file with the commission.

SEC. 61. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to effectuate the reorganization of the California Apple Commission at the earliest possible time, and before the commencement of the 1994-95 marketing year, it is necessary that

this act take effect immediately.

CHAPTER 70

An act to add Section 5003.02.1 to the Public Resources Code, relating to the state park system.

[Approved by Governor May 20, 1994. Filed with
Secretary of State May 20, 1994.]

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

SECTION 1. Section 5003.02.1 is added to the Public Resources Code, to read:

5003.02.1. (a) The Legislature hereby finds and declares that the department and the City of Grover Beach, in a joint project, are in the process of entering into an operating agreement for the purpose of negotiating a concession contract for the development of extensive new facilities at Pismo Beach State Park, and that the standard, 20-year term is insufficient to enable the concessionaire to amortize the type and scale of improvements that the department and the city will require the concessionaire to make.

(b) The Legislature further finds and declares that approval of commercial development at Pismo Beach State Park does not provide precedent for commercial development in other units of the state park system and is a one-time exception to Sections 5019.53 and 5080.03 by reason of the following circumstances:

(1) The general plan for the state park provides for the project.

(2) The site is located on the perimeter of the state park and adjacent to State Route 1.

(3) The development will not impact the resources or the public's use of the state park.

(4) The land proposed to be developed is suitable for commercial development.

(c) Pursuant to subdivision (a) of Section 5080.18, the term of the concession contract entered into by the department and the City of Grover Beach with a concessionaire for the development of new facilities at Pismo Beach State Park may be for a period not to exceed 50 years if the contract also provides that the rent be reviewed and adjusted at least every five years to reflect market rates and economic conditions prevailing in the area in which the concession is located.

(d) No contract subject to this section may be advertised for bid, negotiated, renegotiated, or amended in any material respect unless the Legislature reviews and approves the proposed contract in the annual Budget Act.

CHAPTER 71

An act to amend Sections 191.5 and 192 of the Penal Code, relating to vehicular manslaughter.

[Approved by Governor May 20, 1994. Filed with Secretary of State May 20, 1994.]

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

SECTION 1. Section 191.5 of the Penal Code is amended to read:

191.5. (a) Gross vehicular manslaughter while intoxicated is the unlawful killing of a human being without malice aforethought, in the driving of a vehicle, where the driving was in violation of Section 23140, 23152, or 23153 of the Vehicle Code, and the killing was either the proximate result of the commission of an unlawful act, not amounting to a felony, and with gross negligence, or the proximate result of the commission of a lawful act which might produce death, in an unlawful manner, and with gross negligence.

(b) Gross vehicular manslaughter while intoxicated also includes operating a vessel in violation of subdivision (b), (c), (d), (e), or (f) of Section 655 of the Harbors and Navigation Code, and in the commission of an unlawful act, not amounting to felony, and with gross negligence; or operating a vessel in violation of subdivision (b), (c), (d), (e), or (f) of Section 655 of the Harbors and Navigation Code, and in the commission of a lawful act which might produce death, in an unlawful manner, and with gross negligence.

(c) Gross vehicular manslaughter while intoxicated is punishable by imprisonment in the state prison for 4, 6, or 10 years.

(d) This section shall not be construed as prohibiting or precluding a charge of murder under Section 188 upon facts exhibiting wantonness and a conscious disregard for life to support a finding of implied malice, or upon facts showing malice consistent with the holding of the California Supreme Court in *People v. Watson*, 30 Cal. 3d 290.

(e) This section shall not be construed as making any homicide in the driving of a vehicle or the operation of a vessel punishable which is not a proximate result of the commission of an unlawful act, not amounting to felony, or of the commission of a lawful act which might produce death, in an unlawful manner.

SEC. 2. Section 192 of the Penal Code is amended to read:

192. Manslaughter is the unlawful killing of a human being without malice. It is of three kinds:

(a) Voluntary—upon a sudden quarrel or heat of passion.

(b) Involuntary—in the commission of an unlawful act, not amounting to felony; or in the commission of a lawful act which might produce death, in an unlawful manner, or without due caution and circumspection. This subdivision shall not apply to acts committed in the driving of a vehicle.

(c) Vehicular—

(1) Except as provided in Section 191.5, driving a vehicle in the commission of an unlawful act, not amounting to felony, and with gross negligence; or driving a vehicle in the commission of a lawful act which might produce death, in an unlawful manner, and with gross negligence.

(2) Except as provided in paragraph (3), driving a vehicle in the commission of an unlawful act, not amounting to felony, but without gross negligence; or driving a vehicle in the commission of a lawful act which might produce death, in an unlawful manner, but without gross negligence.

(3) Driving a vehicle in violation of Section 23140, 23152, or 23153 of the Vehicle Code and in the commission of an unlawful act, not amounting to felony, but without gross negligence; or driving a vehicle in violation of Section 23140, 23152, or 23153 of the Vehicle Code and in the commission of a lawful act which might produce death, in an unlawful manner, but without gross negligence.

This section shall not be construed as making any homicide in the driving of a vehicle punishable which is not a proximate result of the commission of an unlawful act, not amounting to felony, or of the commission of a lawful act which might produce death, in an unlawful manner.

“Gross negligence,” as used in this section, shall not be construed as prohibiting or precluding a charge of murder under Section 188 upon facts exhibiting wantonness and a conscious disregard for life to support a finding of implied malice, or upon facts showing malice, consistent with the holding of the California Supreme Court in *People v. Watson*, 30 Cal. 3d 290.

SEC. 3. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs which may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, changes the definition of a crime or infraction, changes the penalty for a crime or infraction, or eliminates a crime or infraction. Notwithstanding Section 17580 of the Government Code, unless otherwise specified in this act, the provisions of this act shall become operative on the same date that the act takes effect pursuant to the California Constitution.

CHAPTER 72

An act to add Section 69.3 to the Revenue and Taxation Code, relating to taxation, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor May 20, 1994. Filed with
Secretary of State May 20, 1994.]

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

SECTION 1. Section 69.3 is added to the Revenue and Taxation Code, to read:

69.3. (a) (1) Notwithstanding any other provision of law, pursuant to the authority of paragraph (3) of subdivision (e) of Section 2 of Article XIII A of the California Constitution, a county board of supervisors, after consultation with affected local agencies located within the boundaries of the county, may adopt an ordinance that authorizes the transfer, subject to the conditions and limitations of this section, of the base year value of real property that is located within another county in this state and has been substantially damaged or destroyed by a disaster to comparable replacement property of equal or lesser value, including land, that is located within the adopting county and has been acquired or newly constructed as a replacement for the damaged or destroyed property within three years after the damage or destruction of the original property.

(2) The base year value of the original property shall be the base year value of the original property as determined in accordance with Section 110.1, with the adjustments permitted by subdivision (b) of Section 2 of Article XIII A of the California Constitution and subdivision (f) of Section 110.1, determined as of the date immediately prior to the date that the original property was substantially damaged or destroyed. The base year value of the original property shall also include any inflation factor adjustments permitted by subdivision (f) of Section 110.1 for the period subsequent to the date of the substantial damage to, or destruction of, the original property and up to the date the replacement property is acquired or newly constructed. The base year or years used to compute the base year value of the original property shall be deemed to be the base year or years of any property to which that base year value is transferred pursuant to this section.

(b) For purposes of this section:

(1) "Affected local agency" means any city, special district, school district, or community college district that receives an annual allocation of ad valorem property tax revenues.

(2) "Comparable replacement property" means a replacement property that has a full cash value of equal or lesser value as defined in paragraph (5).

(3) "Consultation" means a noticed hearing, that is conducted by a county board of supervisors concerning the adoption of an ordinance described in subdivision (a) and with respect to which all affected local agencies within the boundaries of the county are provided with reasonable notice of the time and the place of the hearing and a reasonable opportunity to appear and participate.

(4) "Disaster" means a major misfortune or calamity in an area subsequently proclaimed by the Governor to be in a state of disaster as a result of the misfortune or calamity.

(5) "Equal or lesser value" means that the amount of the full cash value of a replacement property does not exceed one of the following:

(A) One hundred five percent of the amount of the full cash value of the original property if the replacement property is purchased or newly constructed within the first year following the date of the damage or destruction of the original property.

(B) One hundred ten percent of the amount of the full cash value of the original property if the replacement property is purchased or newly constructed within the second year following the date of the damage or destruction of the original property.

(C) One hundred fifteen percent of the amount of the full cash value of the original property if the replacement property is purchased or newly constructed within the third year following the date of the damage or destruction of the original property.

For the purposes of this paragraph, if the replacement property is, in part, purchased and, in part, newly constructed, the date the "replacement property is purchased or newly constructed" is the date of the purchase or the date of completion of new construction, whichever is later. For purposes of this paragraph, "full cash value of the original property" shall be the amount of its full cash value immediately prior to its substantial damage or destruction, as determined by the county assessor of the county in which the property is located.

(6) "Original property" means a building, structure, or other shelter constituting a place of abode, whether real property or personal property, that is owned and occupied by a claimant as his or her principal place of residence, and any land owned by the claimant on which the building, structure, or other shelter is situated, that has been substantially damaged or destroyed by a disaster, as declared by the Governor. For purposes of this paragraph, land constituting a part of original property includes only that area of reasonable size that is used as a site for a residence, and "land owned by the claimant" includes land for which the claimant either holds a leasehold interest described in subdivision (c) of Section 61 or a land purchase contract. For purposes of this paragraph, each unit of a multiunit dwelling shall be considered a separate original property.

(7) "Owner or owners" means an individual or individuals, but does not include any firm, partnership, association, corporation, company, other legal entity or organization of any kind.

(8) "Replacement property" means a building, structure, or other shelter, or other personal property, that is owned and occupied by a claimant as his or her principal place of residence, and any land owned by the claimant on which the building, structure, or other shelter is situated. For purposes of this paragraph, land constituting a part of the land replacement dwelling includes only that area of reasonable size that is used as the site for a residence, and "land owned by the claimant" includes land for which the claimant either holds a leasehold interest described in subdivision (c) of Section 61 or a land purchase contract. For purposes of this paragraph, each unit of a multiunit dwelling shall be considered a separate replacement dwelling.

(9) "Substantially damaged or destroyed" means property that sustains physical damage amounting more to than 50 percent of its full cash value immediately prior to the disaster. Damage includes a diminution of value in the value of property as a result of restricted access to the property where the restricted access was caused by the disaster and is permanent in nature.

(c) At the time the base year value of the substantially damaged or destroyed property is transferred pursuant to an ordinance adopted under this section, the substantially damaged or destroyed property shall be reassessed at its full cash value. However, the substantially damaged or destroyed property shall retain its base year value notwithstanding that transfer. If the owner or owners of substantially damaged or destroyed property receive property tax relief under this section, that property shall not be eligible for property tax relief under subdivision (c) of Section 70 in the event of its reconstruction.

(d) Only the owner or owners of the property that has been substantially damaged or destroyed may receive property tax relief under an ordinance adopted pursuant to this section. Relief under an ordinance adopted pursuant to this section shall be granted to an owner or owners of a substantially damaged or destroyed property obtaining title to comparable replacement property. The acquisition of an ownership interest in a legal entity that, directly or indirectly, owns real property is not an acquisition of comparable replacement property for purposes of this section.

(e) A claim for relief under an ordinance adopted pursuant to this section shall be filed with the assessor of the county in which the replacement property is located in accordance with procedures and requirements as prescribed by the board. Those procedures and requirements that are prescribed by the board pursuant to this subdivision shall, to the extent not inconsistent with this section, be similar to those procedures and requirements established with respect to Section 69.5.

(f) Any taxes that were levied on the replacement property prior to the filing of a claim on the basis of the replacement property's new base-year value, and any allowable annual adjustments thereto, shall be canceled or refunded to the claimant to the extent that taxes

exceed the amount that would be due when determined on the basis of the adjusted new base year value.

(g) This section shall apply to any comparable replacement property of equal or lesser value that is acquired or newly constructed as a replacement for property that has been substantially damaged or destroyed by a disaster occurring on or after October 20, 1991, and to the determination of base year values for the 1991-92 fiscal year and each fiscal year thereafter.

(h) It is the intent of the Legislature in enacting this section that the scope and amount of the tax relief provided under an ordinance adopted pursuant to this section not exceed the scope and amount of tax relief provided under Section 69.5 as that section read on November 2, 1993.

SEC. 2. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to ensure that disaster victims who have lost or suffered heavy damage to their homes are provided with an opportunity for essential relief as soon as possible, it is necessary that this act take effect immediately.

CHAPTER 73

An act to repeal Section 87615 of the Education Code, relating to postsecondary education.

[Approved by Governor May 20, 1994. Filed with
Secretary of State May 20, 1994.]

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

SECTION 1. Section 87615 of the Education Code, as amended by Chapter 506 of the Statutes of 1993, is repealed.

CHAPTER 74

An act to amend Sections 102, 301, 302, 303, 304, 314, 315, 316, 701, and 703 of, and to add Section 803 to, the San Diego Area Wastewater Management District Act (Chapter 803 of the Statutes of 1992), relating to water, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor May 20, 1994. Filed with
Secretary of State May 20, 1994.]

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

SECTION 1. Section 102 of the San Diego Area Wastewater Management District Act (Chapter 803 of the Statutes of 1992) is amended to read:

Sec. 102. The following definitions govern the construction of this act:

(a) "Board" or "board of directors" means the board of directors of the district.

(b) "Board of supervisors" means the board of supervisors of the county.

(c) "Chairperson" means the chairperson of the board of directors of the district.

(d) "County" means the County of San Diego.

(e) "District" means the San Diego Area Wastewater Management District.

(f) "Member agency" means the City of San Diego, the City of Chula Vista, the City of Coronado, the City of Del Mar, the City of Imperial Beach, the City of La Mesa, the Lemon Grove Sanitation District, the City of National City, the City of Poway, the County of San Diego, the Otay Water District, and the Padre Dam Municipal Water District.

(g) "Refuse" means materials specifically suitable for composting sludge.

(h) "Special status member agency" means the San Diego County Water Authority.

(i) "United States" means the United States or a department or agency of the United States.

SEC. 1.5. Section 102 of the San Diego Area Wastewater Management District Act (Chapter 803 of the Statutes of 1992) is amended to read:

Sec. 102. The following definitions govern the construction of this act:

(a) "Board" or "board of directors" means the board of directors of the district.

(b) "Board of supervisors" means the board of supervisors of the county.

(c) "Chairperson" means the chairperson of the board of directors of the district.

(d) "County" means the County of San Diego.

(e) "District" means the San Diego Area Wastewater Management District.

(f) "Member agency" means the City of San Diego, the City of Chula Vista, the City of Coronado, the City of Del Mar, the City of El Cajon, the City of Imperial Beach, the City of La Mesa, the Lemon Grove Sanitation District, the City of National City, the City of

Poway, the County of San Diego, the Otay Water District, and the Padre Dam Municipal Water District.

(g) "Refuse" means materials specifically suitable for composting sludge.

(h) "Special status member agency" means the San Diego County Water Authority.

(i) "United States" means the United States or a department or agency of the United States.

SEC. 2. Section 301 of the San Diego Area Wastewater Management District Act (Chapter 803 of the Statutes of 1992) is amended to read:

Sec. 301. The district shall be governed by a board. The board shall be composed of 17 members of which three shall be appointed by the City of San Diego, two each by the City of Chula Vista and the County of San Diego, and one each shall be appointed by each of the remaining member agencies, including the special status member agency. Each of the members appointed by the City of San Diego shall have two votes. The special status member agency has no vote.

SEC. 2.5. Section 301 of the San Diego Area Wastewater Management District Act (Chapter 803 of the Statutes of 1992) is amended to read:

Sec. 301. The district shall be governed by a board. The board shall be composed of 19 members of which three shall be appointed by the City of San Diego, two each by the City of Chula Vista, the City of El Cajon, and the County of San Diego, and one each shall be appointed by each of the remaining member agencies, including the special status member agency. Each of the members appointed by the City of San Diego shall have two votes. The special status member agency has no vote.

SEC. 3. Section 302 of the San Diego Area Wastewater Management District Act (Chapter 803 of the Statutes of 1992) is amended to read:

Sec. 302. (a) The governing body of each member agency shall appoint the board member or board members to represent that member agency on the board pursuant to Section 301. The governing body of the special status member agency shall appoint the board member to represent the special status member agency on the board pursuant to Section 301.

(b) All board members shall be members of the governing board of the member agency or special status member agency.

(c) No incompatibility of office shall result from an elected official serving on the board and on the governing body of a member agency or special status member agency. A board member may vote on contracts or other matters involving the member agency that he or she represents.

SEC. 4. Section 303 of the San Diego Area Wastewater Management District Act (Chapter 803 of the Statutes of 1992) is amended to read:

Sec. 303. The governing body of each member agency or special status member agency may designate alternate members for each board member to act in the place of the board member if the board member is absent or unable to act.

SEC. 5. Section 304 of the San Diego Area Wastewater Management District Act (Chapter 803 of the Statutes of 1992) is amended to read:

Sec. 304. (a) The term of each board member shall be for four years, except that the initial term shall be two years for one of the board members initially appointed by the City of San Diego, City of Chula Vista, and the County of San Diego, and for one-half of the remaining board members as determined by lot at the first meeting of the board.

(b) Any vacancy shall be filled by appointment by the governing body of the member agency or special status member agency from which the vacancy occurred. Any appointment to fill a vacancy during the term of a board member shall be for the unexpired term.

(c) Each board member, before undertaking the duties of his or her office, shall take and subscribe the oath as provided in Section 1360 of the Government Code, and a certificate of the subscribed oath shall be filed with the clerk of the member agency from which the board member has been appointed. A copy of the certificate shall be filed with the district.

(d) A board member may be removed from the board by the governing body of the member agency or special status member agency which appointed that board member.

SEC. 5.5. Section 304 of the San Diego Area Wastewater Management District Act (Chapter 803 of the Statutes of 1992) is amended to read:

Sec. 304. (a) The term of each board member shall be for four years, except that the initial term shall be two years for one of the board members initially appointed by the City of San Diego, City of Chula Vista, the City of El Cajon, and the County of San Diego, and for one-half of the remaining board members as determined by lot at the first meeting of the board.

(b) Any vacancy shall be filled by appointment by the governing body of the member agency or special status member agency from which the vacancy occurred. Any appointment to fill a vacancy during the term of a board member shall be for the unexpired term.

(c) Each board member, before undertaking the duties of his or her office, shall take and subscribe the oath as provided in Section 1360 of the Government Code, and a certificate of the subscribed oath shall be filed with the clerk of the member agency from which the board member has been appointed. A copy of the certificate shall be filed with the district.

(d) A board member may be removed from the board by the governing body of the member agency or special status member agency which appointed that board member.

SEC. 6. Section 314 of the San Diego Area Wastewater

Management District Act (Chapter 803 of the Statutes of 1992) is amended to read:

Sec. 314. A representative of a member agency, except for the representatives of the City of San Diego pursuant to Section 301, shall have one vote on any motion, resolution, or ordinance before the board and a majority of the votes of the board is required to carry any motion, resolution, or ordinance, except when weighted voting is used pursuant to Sections 315 and 316. The special status member agency has no vote.

SEC. 7. Section 315 of the San Diego Area Wastewater Management District Act (Chapter 803 of the Statutes of 1992) is amended to read:

Sec. 315. Any representative of a member agency may call for the use of weighted voting. The call shall be seconded by a board member representing a different member agency than the board member making the call. If the call is seconded by a board member from the City of San Diego, the City of Chula Vista, or the County of San Diego, or if the call is seconded by two board members representing other member agencies, weighted voting shall be used.

SEC. 8. Section 316 of the San Diego Area Wastewater Management District Act (Chapter 803 of the Statutes of 1992) is amended to read:

Sec. 316. (a) Weighted voting shall be based upon the average daily flow of wastewater discharged by all member agencies, except the City of San Diego, into facilities of the district, as determined and established at the first meeting in July of each year by resolution of the board. When the weighted vote is taken there shall be a total of 100 possible votes. Fifty of those votes shall be allocated to the City of San Diego, irrespective of its average daily flow. The allocation of the remaining 50 votes to the remaining member agencies shall be determined pursuant to subdivision (b).

(b) The average daily flow of the remaining member agencies shall be totaled and the ratio of each agency's portion to this total shall be calculated and the resulting fraction shall be multiplied by 50, with decimals of 0.50 or greater rounded up to the next whole number, thereby determining the number of the remaining 50 votes to be allocated to the agency. In no event shall a member agency have less than one vote. If a member agency has more than one member on the board, the board members of that member agency shall cast the vote or votes allocated to that member agency as a unit, as determined by the majority of the member agency's board members who are present. The affirmative vote of members representing more than 50 percent of the total number of votes of all members shall be necessary and, except as otherwise provided, shall be sufficient to carry any motion, resolution, or ordinance before the board.

(c) The special status member agency has no vote.

SEC. 9. Section 701 of the San Diego Area Wastewater Management District Act (Chapter 803 of the Statutes of 1992) is

amended to read:

Sec. 701. Any territory annexed to, or detached from, an entity or service area described in Section 202, other than the special status member agency, shall, upon completion of the annexation or detachment, be deemed incorporated into and annexed to, or detached from, the district. However, the property located within any territory detached from the district shall continue to be subject to the lien of ad valorem property tax levied to pay principal or interest on general obligation bonds approved by the voters prior to the detachment. The executive officer of the local agency formation commission of the county shall file with the district a copy of the executive officer's certificate of completion certifying the annexation to, or detachment from, the member agency.

SEC. 10. Section 703 of the San Diego Area Wastewater Management District Act (Chapter 803 of the Statutes of 1992) is amended to read:

Sec. 703. A member agency or the special status member agency may withdraw, or detach from, the district without penalty if the withdrawal is within one year from formation of the district or before districtwide funding is committed for improvements exceeding the obligations included in the sewage disposal agreements described in Section 401, whichever occurs first. Any member agency which detaches from the district after districtwide funding is committed shall pay its proportionate share of the debt financing on debt issued prior to its detachment.

SEC. 11. Section 803 is added to the San Diego Area Wastewater Management District Act (Chapter 803 of the Statutes of 1992) to read:

Sec. 803. (a) The district may not impose any fees, charges, or taxes on the special status member agency.

(b) The special status member agency is not subject to administrative, civil, or criminal liability in connection with any of the following:

- (1) Any financial obligation incurred by the district.
- (2) The payment or repayment of debt obligations incurred by the City of San Diego in connection with the construction of wastewater facilities.
- (3) Compliance with waste discharge requirements applicable to the district. The special status member agency shall not be a joint holder of the district's national pollutant discharge elimination system (NPDES) permit.
- (4) Compliance with any local, state, or federal law affecting district operations.
- (5) The condition of any physical facility or equipment owned or operated by the district or transferred to the district by any member agency.
- (6) Any obligation incurred in connection with United States of America v. City of San Diego (United States District Court, Southern District of California, Civil Case No. 88-1101-B).

SEC. 11.3. Section 1.5 of this bill incorporates amendments to Section 102 of the San Diego Area Wastewater Management District Act proposed by this bill and AB 2653. It shall only become operative if (1) both bills are enacted and become effective on or before January 1, 1995, (2) each bill amends Section 102 of the San Diego Area Wastewater Management District Act, and (3) this bill is enacted after AB 2653, in which case Section 102 of the San Diego Area Wastewater Management District Act, as amended by AB 2653, shall remain operative only until the operative date of this bill, at which time Section 1.5 of this bill shall become operative, and Section 1 of this bill shall not become operative.

SEC. 11.5. Section 2.5 of this bill incorporates amendments to Section 301 of the San Diego Area Wastewater Management District Act proposed by this bill and AB 2653. It shall only become operative if (1) both bills are enacted and become effective on or before January 1, 1995, (2) each bill amends Section 301 of the San Diego Area Wastewater Management District Act, and (3) this bill is enacted after AB 2653, in which case Section 301 of the San Diego Area Wastewater Management District Act, as amended by AB 2653, shall remain operative only until the operative date of this bill, at which time Section 2.5 of this bill shall become operative, and Section 2 of this bill shall not become operative.

SEC. 11.7. Section 5.5 of this bill incorporates amendments to Section 304 of the San Diego Area Wastewater Management District Act proposed by this bill and AB 2653. It shall only become operative if (1) both bills are enacted and become effective on or before January 1, 1995, (2) each bill amends Section 304 of the San Diego Area Wastewater Management District Act, and (3) this bill is enacted after AB 2653, in which case Section 304 of the San Diego Area Wastewater Management District Act, as amended by AB 2653, shall remain operative only until the operative date of this bill, at which time Section 5.5 of this bill shall become operative, and Section 5 of this bill shall not become operative.

SEC. 12. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to implement, as soon as possible, certain changes affecting the participation of the San Diego County Water Authority in the San Diego Area Wastewater Management District, it is necessary that this act take effect immediately.

CHAPTER 75

An act to amend Sections 695.220 and 695.221 of the Code of Civil Procedure, to amend Section 69102 of the Government Code, to amend Section 4903 of the Labor Code, and to amend Section 1463.007 of the Penal Code, relating to judicial proceedings, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor May 20, 1994. Filed with
Secretary of State May 20, 1994.]

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

SECTION 1. Section 695.220 of the Code of Civil Procedure is amended to read:

695.220. Money received in satisfaction of a money judgment, except a money judgment for support, is to be credited as follows:

(a) The money is first to be credited against the amounts described in subdivision (b) of Section 685.050 that are collected by the levying officer.

(b) Any remaining money is next to be credited against any fee due the court pursuant to Section 6103.5 or 68511.3 of the Government Code, which are to be remitted to the court by the levying officer.

(c) Any remaining money is next to be credited against the accrued interest that remains unsatisfied.

(d) Any remaining money is to be credited against the principal amount of the judgment remaining unsatisfied. If the judgment is payable in installments, the remaining money is to be credited against the matured installments in the order in which they matured.

SEC. 2. Section 695.221 of the Code of Civil Procedure is amended to read:

695.221. Satisfaction of a money judgment for support shall be credited as follows:

(a) The money shall first be credited against the current month's support.

(b) Any remaining money is next to be credited against the accrued interest that remains unsatisfied.

(c) Any remaining money shall be credited against the principal amount of the judgment remaining unsatisfied. If the judgment is payable in installments, the remaining money shall be credited against the matured installments in the order in which they matured.

(d) Notwithstanding subdivisions (a), (b), and (c), a collection received as a result of a tax refund offset shall first be credited against the interest and then the principal amount of past due support that has been assigned to the state pursuant to Section 11477 of the Welfare and Institutions Code and federal regulations prior to the interest and then principal amount of any other past-due support remaining unsatisfied.

SEC. 3. Section 69102 of the Government Code is amended to read:

69102. The Court of Appeal for the Second Appellate District consists of five divisions having four judges each, and two divisions having three judges each. One division of three judges shall hold its regular sessions in Ventura County, Santa Barbara County, or San Luis Obispo County, at the discretion of the judges of that division, and the other divisions shall hold their regular sessions at Los Angeles.

SEC. 4. Section 4903 of the Labor Code is amended to read:

4903. The appeals board may determine, and allow as liens against any sum to be paid as compensation, any amount determined as hereinafter set forth in subdivisions (a) through (i). If more than one such lien be allowed, the appeals board may determine the priorities, if any, between the liens allowed. The liens which may be allowed hereunder are as follows:

(a) A reasonable attorney's fee for legal services pertaining to any claim for compensation either before the appeals board or before any of the appellate courts, and the reasonable disbursements in connection therewith. No fee for legal services shall be awarded to any representative who is not an attorney, except with respect to those claims for compensation for which an application, pursuant to Section 5501, has been filed with the appeals board on or before December 31, 1991, or for which a disclosure form, pursuant to Section 4906, has been sent to the employer, or insurer or third-party administrator, if either is known, on or before December 31, 1991.

(b) The reasonable expense incurred by or on behalf of the injured employee, as provided by Article 2 (commencing with Section 4600) and, to the extent the employee is entitled to reimbursement under Section 4621, medical-legal expenses as provided by Article 2.5 (commencing with Section 4620) of Chapter 2 of Part 2.

(c) The reasonable value of the living expenses of an injured employee or of his or her dependents, subsequent to the injury.

(d) The reasonable burial expenses of the deceased employee, not to exceed the amount provided for by Section 4701.

(e) The reasonable living expenses of the spouse or minor children of the injured employee, or both, subsequent to the date of the injury, where the employee has deserted or is neglecting his or her family. These expenses shall be allowed in such proportion as the appeals board deems proper, under application of the spouse, guardian of the minor children, or the assignee, pursuant to subdivision (a) of Section 11477 of the Welfare and Institutions Code, of the spouse, a former spouse, or minor children. A collection received as a result of a lien against a workers' compensation award imposed pursuant to this subdivision for payment of child support ordered by a court shall be credited as provided in Section 695.221 of the Code of Civil Procedure.

(f) The amount of unemployment compensation disability

benefits which have been paid under or pursuant to the Unemployment Insurance Code in those cases where, pending a determination under this division there was uncertainty whether such benefits were payable under the Unemployment Insurance Code or payable hereunder; provided, however, that any lien under this subdivision shall be allowed and paid as provided in Section 4904.

(g) The amount of unemployment compensation benefits and extended duration benefits paid to the injured employee for the same day or days for which he or she receives, or is entitled to receive, temporary total disability indemnity payments under this division; provided, however, that any lien under this subdivision shall be allowed and paid as provided in Section 4904.

(h) The amount of indemnification granted pursuant to Article 1 (commencing with Section 13959) of Chapter 5 of Part 4 of Division 3 of Title 2 of the Government Code.

(i) The amount of compensation, including expenses of medical treatment, and recoverable costs which have been paid by the Asbestos Workers' Account pursuant to the provisions of Chapter 11 (commencing with Section 4401) of Part 1.

SEC. 5. Section 1463.007 of the Penal Code is amended to read:

1463.007. Notwithstanding any other provision of law, any county or court that implements or has implemented a comprehensive program to identify and collect fines and forfeitures which have not been paid after 60 days from the date on which they were due and payable, with or without warrant having been issued against the alleged violator, which are not being paid through time payments and for which the base fine excluding state and county penalties is at least one hundred dollars (\$100), may deduct and deposit in the county treasury the cost of operating that program, excluding capital expenditures, from any revenues collected thereby prior to making any distribution of revenues to other governmental entities required by any other provision of law. For purposes of this section, a comprehensive collection program shall be a separate and distinct revenue collection activity and shall include at least 10 of the following components:

- (a) Monthly bill statements to all debtors.
- (b) Telephone contact with delinquent debtors to apprise them of their failure to meet payment obligations.
- (c) Issuance of warning letters to advise delinquent debtors of an outstanding obligation.
- (d) Requests for credit reports to assist in locating delinquent debtors.
- (e) Access to Employment Development Department employment and wage information.
- (f) The generation of monthly delinquent reports.
- (g) Participation in the Franchise Tax Board's tax intercept program.
- (h) The use of Department of Motor Vehicle information to locate delinquent debtors.

- (i) The use of wage and bank account garnishments.
- (j) The imposition of liens on real property and proceeds from the sale of real property held by a title company.
- (k) The filing of objections to the inclusion of outstanding fines and forfeitures in bankruptcy proceedings.
- (l) Coordination with the probation department to locate debtors who may be on formal or informal probation.
- (m) The initiation of drivers' license suspension actions where appropriate.
- (n) The capability to accept credit card payments.

A comprehensive collection plan shall also include a provision that the county shall share any debt collection information acquired with state agencies entitled to proceeds of restitution fines and orders.

Any county that exercises the authority granted in this section for the purpose of enhancing its revenue collections shall file an annual report of its activities with the Legislature.

This section shall be repealed on June 30, 1997, unless a later enacted statute, which is enacted before June 30, 1997, deletes or extends that date.

SEC. 6. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

(a) In order to clarify the law with regard to the crediting of money received in satisfaction of a money judgment for child support, and to implement needed changes for the orderly administration of justice by the Court of Appeal for the Second Appellate District, at the earliest possible time, it is imperative that this act take effect immediately.

(b) In order to clarify provisions governing the distribution of fines and forfeitures collected when past due, and to continue those provisions which are to be repealed by their own terms on June 30, 1994, it is necessary that this act take effect immediately.

CHAPTER 76

An act to amend Section 5326 of, and to add Section 5030.6 to, the Education Code, relating to school districts, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor May 20, 1994. Filed with
Secretary of State May 20, 1994.]

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

SECTION 1. Section 5030.6 is added to the Education Code, to read:

5030.6. Notwithstanding any other provision of law, the members

of the governing board of the Chula Vista Elementary School District may be elected under a method, as approved pursuant to Section 5019, that would require all of the following:

(a) That each membership position on the governing board be identified, by number or otherwise.

(b) That each person seeking election to the governing board be required to declare his or her candidacy for only one of those identified membership positions.

(c) That each of those identified membership positions on the governing board be filled by an election that includes the registered voters of the entire district.

SEC. 2. Section 5326 of the Education Code is amended to read:

5326. If, by 5:00 p.m. on the 83rd day prior to the day fixed for the governing board member election, only one person has been nominated for any elective office to be filled at that election, or no one has been nominated for the office, or in the case of members to be elected from the district at large, the number of candidates for governing board member at large does not exceed the number of offices to be filled at that election, or in the case of members to be nominated by trustee area and elected at large, the number of candidates do not exceed the number required to be elected governing board member at large nominated by that trustee area, or in the case of members to be elected at large in accordance with Sections 5030.5 and 5030.6, no more than one person has been nominated for each membership position, and a petition signed by 10 percent of the voters or 50 voters, whichever is the smaller number, in the district or trustee area, if elected by trustee area, requesting that a school district election be held for the offices has not been presented to the officer conducting the election, appointment will be made as prescribed by Section 5328.

The provisions of this section and Section 5328 shall also apply to elections for membership on a county board of education.

SEC. 3. (a) The Legislature hereby finds and declares that the method authorized by Section 5030.6 of the Education Code, as added by Section 1 of this act, under which each membership position on the governing board of the Chula Vista Elementary School District is to be identified, by number or otherwise, and each candidate for the governing board will be required to declare candidacy for only one identified membership position, will make the election process in that district more equitable by enabling more community members, including those with limited financial resources, to run for each membership position.

(b) Due to the unique circumstances specified in subdivision (a) concerning the Chula Vista Elementary School District, the Legislature finds and declares that a general statute cannot be made applicable within the meaning of Section 16 of Article IV of the California Constitution.

SEC. 4. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within

the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to enable the Chula Vista Elementary School District to continue functioning in an orderly fashion and provide education to the pupils enrolled in those districts, it is necessary that this act take effect immediately.

CHAPTER 77

An act to amend Section 6254.4 of the Government Code, to amend Section 146e of the Penal Code, and to amend Section 1808.4 of the Vehicle Code, relating to confidential information.

[Approved by Governor May 20, 1994. Filed with
Secretary of State May 20, 1994.]

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

SECTION 1. Section 6254.4 of the Government Code is amended to read:

6254.4. (a) The home address, telephone number, occupation, precinct number, and prior registration information shown on the voter registration card for the following persons is confidential if the person requests confidentiality of that information at the time of registration or reregistration and shall not be disclosed to any person except pursuant to Section 615 of the Elections Code:

(1) Any active or retired judge, magistrate, or court commissioner.

(2) Any active or retired district attorney, assistant district attorney, or deputy district attorney.

(3) Any active or retired public defender or assistant public defender or public defender investigator.

(4) Any active or retired peace officer, as defined in Chapter 4.5 (commencing with Section 830) of Title 3 of Part 2 of the Penal Code.

(5) Any employee of a city police department or county sheriff's office.

(6) The spouse or children of any person included in paragraphs (1) to (5), inclusive, who are living with that person.

(b) Confidentiality granted under this section shall apply only to records prepared or generated on or after the date that the voter is granted confidentiality.

(c) A person who requests confidentiality of the information specified in subdivision (a) shall register or reregister to vote by means of a confidential affidavit of registration form which shall be prescribed by the Secretary of State and which shall be attested to under penalty of perjury by the affiant that he or she is a person entitled to confidential treatment pursuant to this section.

(d) The disclosure of the home address or telephone number of

a peace officer, as specified in paragraph (4) of subdivision (a), an employee of a city police department or county sheriff's office, or the spouse or children of these persons who live with these persons by any person or public entity in violation of subdivision (a) is a misdemeanor. A violation of this subdivision that results in bodily injury to the peace officer, employee of the city police department or county sheriff's office, or the spouse or children of these persons is a felony.

(e) For purposes of this section, "home address" means only street address and does not include an individual's city or post office address.

SEC. 2. Section 146e of the Penal Code is amended to read:

146e. (a) Every person who maliciously, and with the intent to obstruct justice or the due administration of the laws, publishes, disseminates, or otherwise discloses the residence address or telephone number of any peace officer, nonsworn police dispatcher, or employee of a city police department or county sheriff's office, or that of the spouse or children of these persons, whether living with them or not, while designating the peace officer or nonsworn police dispatcher or relative of these persons as such, without the authorization of the employing agency, is guilty of a misdemeanor.

(b) A violation of subdivision (a) with regard to any peace officer, employee of a city police department or county sheriff's office, or the spouse or children of these persons that results in bodily injury to the peace officer, employee of the city police department or county sheriff's office, or the spouse or children of these persons is a felony.

SEC. 3. Section 1808.4 of the Vehicle Code is amended to read:

1808.4. (a) The home address of any of the following persons, that appears in any record of the department, is confidential, if the person requests the confidentiality of that information:

- (1) Attorney General.
- (2) State public defender.
- (3) Members of the Legislature.
- (4) Judges or court commissioners.
- (5) District attorneys.
- (6) Public defenders.
- (7) Attorneys employed by the Department of Justice, the office of the State Public Defender, or a county office of the district attorney or public defender.
- (8) City attorneys and attorneys who submit verification from their public employer that they represent the city in matters that routinely place them in personal contact with persons under investigation for, charged with, or convicted of, committing criminal acts, if those attorneys are employed by city attorneys.
- (9) Nonsworn police dispatchers.
- (10) Child abuse investigators or social workers, working in child protective services within a social services department.
- (11) Active or retired peace officers, as defined in Chapter 4.5 (commencing with Section 830) of Title 3 of Part 2 of the Penal Code.

(12) Employees of the Department of Corrections, the Department of the Youth Authority, or the Prison Industry Authority specified in Sections 20017.77 and 20017.79 of the Government Code.

(13) Nonsworn employees of a city police department, a county sheriff's office, the Department of the California Highway Patrol, federal, state, and local detention facilities, and local juvenile halls, camps, ranches, and homes, who submit agency verification that, in the normal course of their employment, they control or supervise inmates or are required to have a prisoner in their care or custody.

(14) County counsels assigned to child abuse cases.

(15) Investigators employed by the Department of Justice, a county district attorney, or a county public defender.

(16) Members of a city council.

(17) Members of a board of supervisors.

(18) Federal prosecutors and criminal investigators and National Park Service Rangers working in this state.

(19) The spouse or children of persons listed in this section, regardless of the spouse's or child's place of residence.

(b) The confidential home address of any of the persons listed in subdivision (a) shall not be disclosed to any person, except a court, a law enforcement agency, the State Board of Equalization, or any governmental agency to which, under any provision of law, information is required to be furnished from records maintained by the department.

(c) Any record of the department containing a confidential home address shall be open to public inspection, as provided in Section 1808, if the address is completely obliterated or otherwise removed from the record. The home address shall be withheld from public inspection for three years following termination of office or employment except with respect to retired peace officers, whose home addresses shall be withheld from public inspection permanently upon request of confidentiality at the time the information would otherwise be opened. The department shall inform any person who requests a confidential home address what agency the individual whose address was requested is employed by or the court at which the judge or court commissioner presides.

(d) A violation of subdivision (a) by the disclosure of the confidential home address of a peace officer, as specified in paragraph (11) of subdivision (a), a nonsworn employee of the city police or county sheriff's office, or the spouse or children of these persons that results in bodily injury to the peace officer, employee of the city police or county sheriff's office, or the spouse or children of these persons is a felony.

SEC. 4. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution for those costs which may be incurred by a local agency or school district that will be incurred because this act creates a new crime or infraction, changes the definition of a crime or infraction, changes the penalty for a crime or infraction, or eliminates a crime or infraction.

However, notwithstanding Section 17610 of the Government Code, if the Commission on State Mandates determines that this act contains other 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. If the statewide cost of the claim for reimbursement does not exceed one million dollars (\$1,000,000), reimbursement shall be made from the State Mandates Claims Fund.

Notwithstanding Section 17580 of the Government Code, unless otherwise specified in this act, the provisions of this act shall become operative on the same date that the act takes effect pursuant to the California Constitution.

CHAPTER 78

An act to amend Sections 44043.5 and 88207 of, and to add Section 87045 to, the Education Code, relating to community colleges, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor May 20, 1994. Filed with
Secretary of State May 20, 1994.]

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

SECTION 1. Section 44043.5 of the Education Code is amended to read:

44043.5. (a) The governing board of a school district or county office of education may establish a catastrophic leave program to permit employees of that district or county office to donate eligible leave credits to an employee when that employee or a member of his or her family suffers from a catastrophic illness or injury.

For the purposes of this section the following terms are defined as follows:

(1) "Catastrophic illness" or "injury" means an illness or injury that is expected to incapacitate the employee for an extended period of time, or that incapacitates a member of the employee's family which incapacity requires the employee to take time off from work for an extended period of time to care for that family member, and taking extended time off work creates a financial hardship for the employee because he or she has exhausted all of his or her sick leave and other paid time off.

(2) "Eligible leave credits" means vacation leave and sick leave accrued to the donating employee.

(b) Eligible leave credits may be donated to an employee for a catastrophic illness or injury if all of the following requirements are met:

(1) The employee who is, or whose family member is, suffering from a catastrophic illness or injury requests that eligible leave

credits be donated and provides verification of catastrophic injury or illness as required by the governing board of the school district or county office in which he or she is employed.

(2) The governing board of the school district or county office determines that the employee is unable to work due to the employee's or his or her family member's catastrophic illness or injury.

(3) The employee has exhausted all accrued paid leave credits.

(c) If the transfer of eligible leave credits is approved by the governing board of the school district or county office, any employee may, upon written notice to the governing board of the district or county office, donate eligible leave credits at a minimum of eight hours, and in hour increments thereafter.

(d) The governing board of a school district or county office that provides a catastrophic leave program pursuant to this section shall adopt rules and regulations for the administration of this section, including, but not limited to, the following:

(1) The maximum amount of time for which donated leave credits may be used, but not to exceed use for a maximum period of 12 consecutive months.

(2) The verification of catastrophic injury or illness required pursuant to paragraph (1) of subdivision (b).

(3) Making all transfers of eligible leave credit irrevocable.

(e) An employee who receives paid leave pursuant to this section shall use any leave credits that he or she continues to accrue on a monthly basis prior to receiving paid leave pursuant to this section.

(f) Notwithstanding the provisions of this section, the governing board of a school district or county office and an exclusive bargaining representative of employees in that district or county may agree to include in any collective bargaining agreement, a provision setting forth requirements for a catastrophic leave program.

SEC. 2. Section 87045 is added to the Education Code, to read:

87045. (a) The governing board of a community college district may establish a catastrophic leave program to permit employees of that district to donate eligible leave credits to an employee when that employee or a member of his or her family suffers from a catastrophic illness or injury.

For the purposes of this section, the following terms are defined as follows:

(1) "Catastrophic illness" or "injury" means an illness or injury that is expected to incapacitate the employee for an extended period of time, or that incapacitates a member of the employee's family which incapacity requires the employee to take time off from work for an extended period of time to care for that family member, and taking extended time off work creates a financial hardship for the employee because he or she has exhausted all of his or her sick leave and other paid time off.

(2) "Eligible leave credits" means vacation leave and sick leave accrued to the donating employee.

(b) Eligible leave credits may be donated to an employee for a catastrophic illness or injury if all of the following requirements are met:

(1) The employee who is, or whose family member is, suffering from a catastrophic illness or injury requests that eligible leave credits be donated and provides verification of catastrophic injury or illness as required by the governing board of the community college district in which he or she is employed.

(2) The governing board of the community college district determines that the employee is unable to work due to the employee's or his or her family member's catastrophic illness or injury.

(3) The employee has exhausted all accrued paid leave credits.

(c) If the transfer of eligible leave credits is approved by the governing board of the community college district, any employee may, upon written notice to the governing board, donate eligible leave credits at a minimum of eight hours, and in hour increments thereafter.

(d) The governing board of a community college district that provides a catastrophic leave program pursuant to this section shall adopt rules and regulations for the administration of this section, including, but not limited to, the following:

(1) The maximum amount of time for which donated leave credits may be used, but not to exceed use for a maximum period of 12 consecutive months.

(2) The verification of catastrophic injury or illness required pursuant to paragraph (1) of subdivision (b).

(3) Making all transfers of eligible leave credit irrevocable.

(e) An employee who receives paid leave pursuant to this section shall use any leave credits that he or she continues to accrue on a monthly basis prior to receiving paid leave pursuant to this section.

(f) Notwithstanding the provisions of this section, the governing board of a community college district and an exclusive bargaining representative of employees in that district may agree to include in any collective bargaining agreement a provision setting forth requirements for a catastrophic leave program.

SEC. 3. Section 88207 of the Education Code is amended to read:

88207. Any days of absence for illness or injury earned pursuant to Section 88191 may be used by the contract or regular employee, at the employee's election, in cases of personal necessity, including any of the following:

(a) Death of a member of the employee's immediate family when additional leave is required beyond that provided both in Section 88194 and as a right by the governing board.

(b) Accident involving the person or property of the employee or of a member of his or her immediate family.

(c) Appearance in any court or before any administrative tribunal as a litigant, party, or witness under subpoena or any order made with jurisdiction.

(d) Any other reasons that may be prescribed by the governing board.

The governing board of each community college district shall adopt rules and regulations requiring and prescribing the manner of proof of personal necessity for the purpose of this section. No earned leave in excess of seven days may be used in any school year for the purposes enumerated in this section.

For purposes of this section, "immediate family" shall have the same meaning as provided in Section 88194.

This section shall apply to districts that have adopted the merit system in the same manner and effect as if it were a part of Article 3 (commencing with Section 88060).

This section shall apply also to community college districts that may be exempted from Section 88191. Authorized necessity leave shall be deducted from sick leave earned under the provisions of the exemption of Section 88191.

SEC. 4. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to authorize the governing boards of community college districts to establish catastrophic leave programs in the 1993-94 academic year, to modify the provisions governing personal necessity leave, and to clarify other provisions of law as soon as possible, it is necessary that this act take effect immediately.

CHAPTER 79

An act to amend Section 27312 of, to amend and renumber the heading of Article 5 (commencing with Section 27340) of, and to repeal Sections 27311, 27316.1, 27340, and Article 4 (commencing with Section 27330) of Division 16 of, the Elections Code, relating to elections.

[Approved by Governor May 20, 1994. Filed with
Secretary of State May 20, 1994.]

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

SECTION 1. Section 27311 of the Elections Code is repealed.

SEC. 2. Section 27312 of the Elections Code is amended to read:

27312. In addition to the material contained in Section 27310, the following shall appear on ballots at all recall elections, except at a landowner voting district recall election:

(a) The names of the candidates nominated to succeed the officer sought to be recalled shall appear under each recall question.

(b) Following each list of candidates, the ballot shall provide one blank line with a voting space to the right of it for the voter to write

in a name not printed on the ballot.

SEC. 3. Section 27316.1 of the Elections Code is repealed.

SEC. 4. Article 4 (commencing with Section 27330) of Division 16 of the Elections Code is repealed.

SEC. 5. The heading of Article 5 (commencing with Section 27340) of Division 16 of the Elections Code is amended and renumbered to read:

Article 4. Recall Elections

SEC. 6. Section 27340 of the Elections Code is repealed.

CHAPTER 80

An act to amend Section 25503.8 of, and to repeal Sections 23373.3 and 24750.5 of, the Business and Professions Code, relating to alcoholic beverages, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor May 20, 1994. Filed with
Secretary of State May 20, 1994.]

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

SECTION 1. Section 23373.3 of the Business and Professions Code is repealed.

SEC. 2. Section 24750.5 of the Business and Professions Code is repealed.

SEC. 3. Section 25503.8 of the Business and Professions Code is amended to read:

25503.8. (a) Notwithstanding any other provision of this chapter, the holder of a beer manufacturer's or winegrower's license may purchase advertising space and time from, or on behalf of, an on-sale retail licensee if all of the following conditions are met:

(1) The on-sale licensee is the owner of any of the following:

(A) A fully enclosed auditorium or theater with a fixed seating capacity in excess of 6,000 seats, at least 60 percent of the use of which is for plays or musical concerts, not including sporting events.

(B) A motion picture studio facility at which public tours are conducted for at least four million people per year.

(C) A retail, entertainment development adjacent to, and under common ownership with, a theme park, amphitheater, and motion picture production studio.

(2) The advertising space or time is purchased only in connection with one of the following:

(A) In the case of a fully enclosed auditorium or theater, in connection with sponsorship of plays or musical concerts to be held on the premises of the auditorium or theater owned by the on-sale

licensee.

(B) In the case of a motion picture studio facility, in connection with sponsorship of the public tours or special events conducted at the studio facility.

(C) In the case of a retail, entertainment development, in connection with sponsorship of public tours or special events conducted at the development.

(3) The on-sale licensee serves other brands of beer or wine in addition to the brand manufactured by the beer manufacturer or produced by the winegrower purchasing the advertising space or time.

(b) Any purchase of advertising space or time conducted pursuant to subdivision (a) shall be conducted pursuant to a written contract entered into by the holder of the beer manufacturer's or winegrower's license and the on-sale licensee, which contract shall not in any way involve the holder of a beer or wine wholesaler's license.

(c) Any holder of a beer manufacturer's license or winegrower's license who, through coercion or other means, induces a holder of a beer or wine wholesaler's license to fulfill those contractual obligations entered into pursuant to subdivision (a) or (b) shall be guilty of a misdemeanor and shall be punished by imprisonment in the county jail not exceeding six months, or by a fine in an amount equal to the entire value of the advertising space or time involved in the contract, plus ten thousand dollars (\$10,000), or by both imprisonment and fine. The person shall also be subject to license revocation pursuant to Section 24200.

SEC. 4. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order that advertising space may be purchased in connection with events that are scheduled for the summer of 1994, it is necessary that this act go into immediate effect.

CHAPTER 81

An act to amend Section 15333.3 of the Government Code, relating to the California Spaceport Authority.

[Approved by Governor May 20, 1994. Filed with
Secretary of State May 20, 1994.]

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

SECTION 1. Section 15333.3 of the Government Code is amended to read:

15333.3. (a) The Western Commercial Space Center, a nonprofit

corporation, is designated as the California Spaceport Authority to provide the support and unique services required for the development of commercial launch, manufacturing, and academic and research operations related to space flight.

(b) The California Spaceport Authority shall be designated as an official recipient of federal grants for space related studies, services, infrastructure improvements and modernization, and defense transition programs to the extent permitted by federal law.

CHAPTER 82

An act to amend Sections 6254 and 9075 of the Government Code, relating to public records.

[Approved by Governor May 20, 1994. Filed with
Secretary of State May 20, 1994.]

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

SECTION 1. Section 6254 of the Government Code is amended to read:

6254. Except as provided in Section 6254.7, nothing in this chapter shall be construed to require disclosure of records that are any of the following:

(a) Preliminary drafts, notes, or interagency or intra-agency memoranda which are not retained by the public agency in the ordinary course of business, provided that the public interest in withholding those records clearly outweighs the public interest in disclosure.

(b) Records pertaining to pending litigation to which the public agency is a party, or to claims made pursuant to Division 3.6 (commencing with Section 810), until the pending litigation or claim has been finally adjudicated or otherwise settled.

(c) Personnel, medical, or similar files, the disclosure of which would constitute an unwarranted invasion of personal privacy.

(d) Contained in or related to:

(1) Applications filed with any state agency responsible for the regulation or supervision of the issuance of securities or of financial institutions, including, but not limited to, banks, savings and loan associations, industrial loan companies, credit unions, and insurance companies.

(2) Examination, operating, or condition reports prepared by, on behalf of, or for the use of, any state agency referred to in paragraph (1).

(3) Preliminary drafts, notes, or interagency or intra-agency communications prepared by, on behalf of, or for the use of, any state agency referred to in paragraph (1).

(4) Information received in confidence by any state agency

referred to in paragraph (1).

(e) Geological and geophysical data, plant production data, and similar information relating to utility systems development, or market or crop reports, which are obtained in confidence from any person.

(f) Records of complaints to, or investigations conducted by, or records of intelligence information or security procedures of, the office of the Attorney General and the Department of Justice, and any state or local police agency, or any investigatory or security files compiled by any other state or local police agency, or any investigatory or security files compiled by any other state or local agency for correctional, law enforcement, or licensing purposes, except that state and local law enforcement agencies shall disclose the names and addresses of persons involved in, or witnesses other than confidential informants to, the incident, the description of any property involved, the date, time, and location of the incident, all diagrams, statements of the parties involved in the incident, the statements of all witnesses, other than confidential informants, to the victims of an incident, or an authorized representative thereof, an insurance carrier against which a claim has been or might be made, and any person suffering bodily injury or property damage or loss, as the result of the incident caused by arson, burglary, fire, explosion, larceny, robbery, vandalism, vehicle theft, or a crime as defined by subdivision (c) of Section 13960, unless the disclosure would endanger the safety of a witness or other person involved in the investigation, or unless disclosure would endanger the successful completion of the investigation or a related investigation. However, nothing in this division shall require the disclosure of that portion of those investigative files which reflect the analysis or conclusions of the investigating officer.

Other provisions of this subdivision notwithstanding, state and local law enforcement agencies shall make public the following information, except to the extent that disclosure of a particular item of information would endanger the safety of a person involved in an investigation or would endanger the successful completion of the investigation or a related investigation:

(1) The full name, current address, and occupation of every individual arrested by the agency, the individual's physical description including date of birth, color of eyes and hair, sex, height and weight, the time and date of arrest, the time and date of booking, the location of the arrest, the factual circumstances surrounding the arrest, the amount of bail set, the time and manner of release or the location where the individual is currently being held, and all charges the individual is being held upon, including any outstanding warrants from other jurisdictions and parole or probation holds.

(2) Subject to the restrictions imposed by Section 841.5 of the Penal Code, the time, substance, and location of all complaints or requests for assistance received by the agency and the time and nature of the response thereto, including, to the extent the

information regarding crimes alleged or committed or any other incident investigated is recorded, the time, date, and location of occurrence, the time and date of the report, the name, age, and current address of the victim, except that the address of the victim of any crime defined by Section 261, 264, 264.1, 273a, 273d, 273.5, 286, 288, 288a, 289, 422.6, 422.7, or 422.75 of the Penal Code shall not be disclosed, the factual circumstances surrounding the crime or incident, and a general description of any injuries, property, or weapons involved. The name of a victim of any crime defined by Section 261, 264, 264.1, 273a, 273d, 273.5, 286, 288, 288a, 289, 422.6, 422.7, or 422.75 of the Penal Code may be withheld at the victim's request, or at the request of the victim's parent or guardian if the victim is a minor. When a person is the victim of more than one crime, information disclosing that the person is a victim of a crime defined by Section 261, 264, 264.1, 273a, 273d, 286, 288, 288a, 289, 422.6, 422.7, or 422.75 of the Penal Code may be deleted at the request of the victim, or the victim's parent or guardian if the victim is a minor, in making the report of the crime, or of any crime or incident accompanying the crime, available to the public in compliance with the requirements of this paragraph.

(g) Test questions, scoring keys, and other examination data used to administer a licensing examination, examination for employment, or academic examination, except as provided for in Chapter 3 (commencing with Section 99150) of Part 65 of the Education Code.

(h) The contents of real estate appraisals or engineering or feasibility estimates and evaluations made for or by the state or local agency relative to the acquisition of property, or to prospective public supply and construction contracts, until all of the property has been acquired or all of the contract agreement obtained. However, the law of eminent domain shall not be affected by this provision.

(i) Information required from any taxpayer in connection with the collection of local taxes which is received in confidence and the disclosure of the information to other persons would result in unfair competitive disadvantage to the person supplying the information.

(j) Library circulation records kept for the purpose of identifying the borrower of items available in libraries, and library and museum materials made or acquired and presented solely for reference or exhibition purposes. The exemption in this subdivision shall not apply to records of fines imposed on the borrowers.

(k) Records the disclosure of which is exempted or prohibited pursuant to federal or state law, including, but not limited to, provisions of the Evidence Code relating to privilege.

(l) Correspondence of and to the Governor or employees of the Governor's office or in the custody of or maintained by the Governor's legal affairs secretary, provided that public records shall not be transferred to the custody of the Governor's legal affairs secretary to evade the disclosure provisions of this chapter.

(m) In the custody of or maintained by the Legislative Counsel, except those records in the public data base maintained by the

Legislative Counsel that are described in Section 10248.

(n) Statements of personal worth or personal financial data required by a licensing agency and filed by an applicant with the licensing agency to establish his or her personal qualification for the license, certificate, or permit applied for.

(o) Financial data contained in applications for financing under Division 27 (commencing with Section 44500) of the Health and Safety Code, where an authorized officer of the California Pollution Control Financing Authority determines that disclosure of the financial data would be competitively injurious to the applicant and the data is required in order to obtain guarantees from the United States Small Business Administration. The California Pollution Control Financing Authority shall adopt rules for review of individual requests for confidentiality under this section and for making available to the public those portions of an application which are subject to disclosure under this chapter.

(p) Records of state agencies related to activities governed by Chapter 10.3 (commencing with Section 3512) of Division 4 of Title 1, Chapter 10.5 (commencing with Section 3525) of Division 4 of Title 1, and Chapter 12 (commencing with Section 3560) of Division 4 of Title 1, which reveal a state agency's deliberative processes, impressions, evaluations, opinions, recommendations, meeting minutes, research, work products, theories, or strategy, or which provide instruction, advice, or training to employees who do not have full collective bargaining and representation rights under the above chapters. Nothing in this subdivision shall be construed to limit the disclosure duties of a state agency with respect to any other records relating to the activities governed by the employee relations acts referred to in this subdivision.

(q) Records of state agencies related to activities governed by Articles 2.6 (commencing with Section 14081), 2.8 (commencing with Section 14087.5), and 2.91 (commencing with Section 14089) of Chapter 7 of Part 3 of Division 9 of the Welfare and Institutions Code, which reveal the special negotiator's deliberative processes, discussions, communications, or any other portion of the negotiations with providers of health care services, impressions, opinions, recommendations, meeting minutes, research, work product, theories, or strategy, or which provide instruction, advice, or training to employees.

Except for the portion of a contract containing the rates of payment, contracts for inpatient services entered into pursuant to these articles, on or after April 1, 1984, shall be open to inspection one year after they are fully executed. In the event that a contract for inpatient services which is entered into prior to April 1, 1984, is amended on or after April 1, 1984, the amendment, except for any portion containing the rates of payment, shall be open to inspection one year after it is fully executed. If the California Medical Assistance Commission enters into contracts with health care providers for other than inpatient hospital services, those contracts shall be open

to inspection one year after they are fully executed.

Three years after a contract or amendment is open to inspection under this subdivision, the portion of the contract or amendment containing the rates of payment shall be open to inspection.

Notwithstanding any other provision of law, the entire contract or amendment shall be open to inspection by the Joint Legislative Audit Committee. The Joint Legislative Audit Committee shall maintain the confidentiality of the contracts and amendments until such time as a contract or amendment is fully open to inspection by the public.

(r) Records of Native American graves, cemeteries, and sacred places maintained by the Native American Heritage Commission.

(s) A final accreditation report of the Joint Commission on Accreditation of Hospitals which has been transmitted to the State Department of Health Services pursuant to subdivision (b) of Section 1282 of the Health and Safety Code.

(t) Records of a local hospital district, formed pursuant to Division 23 (commencing with Section 32000) of the Health and Safety Code, or the records of a municipal hospital, formed pursuant to Article 7 (commencing with Section 37600) or Article 8 (commencing with Section 37650) of Chapter 5 of Division 3 of Title 4 of this code, which relate to any contract with an insurer or nonprofit hospital service plan for inpatient or outpatient services for alternative rates pursuant to Section 10133 or 11512 of the Insurance Code. However, the record shall be open to inspection within one year after the contract is fully executed.

(u) Information contained in applications for licenses to carry firearms issued pursuant to Section 12050 of the Penal Code by the sheriff of a county or the chief or other head of a municipal police department which indicates when or where the applicant is vulnerable to attack or which concerns the applicant's medical or psychological history or that of members of his or her family.

(v) (1) Records of the Major Risk Medical Insurance Program related to activities governed by Part 6.3 (commencing with Section 12695), and Part 6.5 (commencing with Section 12700), of Division 2 of the Insurance Code, and which reveal the deliberative processes, discussions, communications, or any other portion of the negotiations with health plans, or the impressions, opinions, recommendations, meeting minutes, research, work product, theories, or strategy of the board or its staff, or records that provide instructions, advice, or training to employees.

(2) (A) Except for the portion of a contract that contains the rates of payment, contracts for health coverage entered into pursuant to Part 6.3 (commencing with Section 12695), or Part 6.5 (commencing with Section 12700), of Division 2 of the Insurance Code, on or after July 1, 1991, shall be open to inspection one year after they have been fully executed.

(B) In the event that a contract for health coverage that is entered into prior to July 1, 1991, is amended on or after July 1, 1991, the amendment, except for any portion containing the rates of

payment shall be open to inspection one year after the amendment has been fully executed.

(3) Three years after a contract or amendment is open to inspection pursuant to this subdivision, the portion of the contract or amendment containing the rates of payment shall be open to inspection.

(4) Notwithstanding any other provision of law, the entire contract or amendments to a contract shall be open to inspection by the Joint Legislative Audit Committee. The Joint Legislative Audit Committee shall maintain the confidentiality of the contracts and amendments thereto, until the contract or amendments to a contract is open to inspection pursuant to paragraph (3).

(w) (1) Records of the Major Risk Medical Insurance Program related to activities governed by Chapter 14 (commencing with Section 10700) of Part 2 of Division 2 of the Insurance Code, and that reveal the deliberative processes, discussions, communications, or any other portion of the negotiations with health plans, or the impressions, opinions, recommendations, meeting minutes, research, work product, theories, or strategy of the board or its staff, or records that provide instructions, advice, or training to employees.

(2) Except for the portion of a contract that contains the rates of payment, contracts for health coverage entered into pursuant to Chapter 14 (commencing with Section 10700) of Part 2 of Division 2 of the Insurance Code, on or after January 1, 1993, shall be open to inspection one year after they have been fully executed.

(3) Notwithstanding any other provision of law, the entire contract or amendments to a contract shall be open to inspection by the Joint Legislative Audit Committee. The Joint Legislative Audit Committee shall maintain the confidentiality of the contracts and amendments thereto, until the contract or amendments to a contract is open to inspection pursuant to paragraph (2).

(x) Financial data contained in applications for registration, or registration renewal, as a service contractor filed with the Director of the Department of Consumer Affairs pursuant to Chapter 20 (commencing with Section 9800) of Division 3 of the Business and Professions Code, for the purpose of establishing the service contractor's net worth, or, financial data regarding the funded accounts held in escrow for service contracts held in force in this state by a service contractor.

Nothing in this section prevents any agency from opening its records concerning the administration of the agency to public inspection, unless disclosure is otherwise prohibited by law.

Nothing in this section prevents any health facility from disclosing to a certified bargaining agent relevant financing information pursuant to Section 8 of the National Labor Relations Act.

SEC. 2. Section 9075 of the Government Code is amended to read:

9075. Nothing in this article shall be construed to invalidate or affect the operation of Sections 10207, 10208, 10525, and 10526 of this

code, or Temporary Joint Rule 37 of the Senate and Assembly in effect on the effective date of this article, or to require the disclosure of records that are any of the following:

- (a) Preliminary drafts, notes, or legislative memoranda.
- (b) Records pertaining to pending litigation to which the Legislature is a party, or to claims made pursuant to Division 3.6 (commencing with Section 810) of Title 1, until the litigation or claim has been finally adjudicated or otherwise settled.
- (c) Personnel, medical, or similar files, the disclosure of which would constitute an unwarranted invasion of personal privacy, provided that the Senate Committee on Rules, the Assembly Committee on Rules, or the Joint Rules Committee shall determine whether disclosure of these records constitutes an unwarranted invasion of personal privacy.
- (d) Records pertaining to the names and phone numbers of senders and recipients of telephone and telegraph communications, provided that records of the total charges for any such communication shall be open for inspection.
- (e) Records pertaining to the name and location of recipients of automotive fuel or lubricants expenditures, provided that records of the total charges for those expenditures shall be open for inspection.
- (f) In the custody of or maintained by the Legislative Counsel, except those records in the public data base maintained by the Legislative Counsel that are described in Section 10248. Legislative records shall not be transferred to the custody of the Legislative Counsel to evade the disclosure provisions of this chapter.
- (g) In the custody of or maintained by the majority and minority caucuses and majority and minority consultants of each house of the Legislature, provided that legislative records shall not be transferred to the custody of the majority and minority caucuses and majority and minority consultants of each house of the Legislature to evade the disclosure provisions of this chapter.
- (h) Correspondence of and to individual Members of the Legislature and their staff.
- (i) Records the disclosure of which is exempted or prohibited pursuant to provisions of federal or state law, including, but not limited to, provisions of the Evidence Code relating to privilege.
- (j) Communications from private citizens to the Legislature.
- (k) Records of complaints to or investigations conducted by, or records of security procedures of, the Legislature.

CHAPTER 83

An act to amend Section 44940 of the Education Code, relating to school employees.

[Approved by Governor May 20, 1994. Filed with Secretary of State May 20, 1994.]

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

SECTION 1. Section 44940 of the Education Code is amended to read:

44940. (a) For purposes of this section, “charged with a mandatory leave of absence offense” is defined to mean charged by complaint, information, or indictment filed in a court of competent jurisdiction with the commission of any sex offense as defined in Section 44010, or with the commission of any offense involving aiding or abetting the unlawful sale, use, or exchange to minors of controlled substances listed in Schedule I, II, or III, as contained in Section 11054, 11055, and 11056 of the Health and Safety Code, with the exception of marijuana, mescaline, peyote, or tetrahydrocannabinols.

(b) For purposes of this section, “charged with an optional leave of absence offense” is defined to mean a charge by complaint, information, or indictment filed in a court of competent jurisdiction with the commission of any controlled substance offense as defined in Section 44011 or 87011, or a violation or attempted violation of Section 187 of the Penal Code, or Sections 11357 to 11361, inclusive, Section 11363, 11364, or 11370.1 of the Health and Safety Code, insofar as these sections relate to any controlled substances except marijuana, mescaline, peyote, or tetrahydrocannabinols.

(c) For purposes of this section and Section 44940.5, the term “school district” includes county offices of education.

(d) Whenever any certificated employee of a school district is charged with a mandatory leave of absence offense, as defined in subdivision (a), the governing board of the school district shall immediately place the employee upon compulsory leave of absence for a period of time extending for not more than 10 days after the date of entry of the judgment in the proceedings. The employee’s teaching or service credential shall be automatically suspended for the same period of time.

(e) Whenever any certificated employee of a school district is charged with an optional leave of absence offense as defined in subdivision (b), the governing board of the school district may immediately place the employee upon compulsory leave in accordance with the procedure in this section and Section 44940.5. If any certificated employee is charged with an offense deemed to fall into both the mandatory and the optional leave of absence categories, as defined in subdivisions (a) and (b), that offense shall

be treated as a mandatory leave of absence offense for purposes of this section.

CHAPTER 84

An act to amend Section 607f of the Civil Code, relating to humane officers.

[Approved by Governor May 20, 1994. Filed with
Secretary of State May 20, 1994.]

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

SECTION 1. Section 607f of the Civil Code is amended to read:
607f. (a) Any corporation incorporated for the purpose of the prevention of cruelty to animals may by resolution of its board of directors or trustees duly entered on its minutes appoint any number of its members, who shall be citizens of the State of California, as humane officers. Each appointment of a humane officer shall be by separate resolution. The resolution shall state the full name and place of residence and the business or occupation of the person so appointed and the fact that he or she is a citizen of the State of California and shall also designate the number of the badge to be allotted to the officer.

(b) The society shall recommend any appointee to the judge of the superior court in and for the county or city and county in which the appointee resides, and shall deliver to the judge a copy of the resolution appointing the person, duly certified to be correct by the president and secretary of the corporation and attested by its seal, together with the fingerprints of the appointee taken on standard 8-x 8-inch cards, and proof of the society's proper incorporation in compliance with Part 9 (commencing with Section 10400) of Division 2 of the Corporations Code.

(c) The judge shall send a copy of the resolution, together with the fingerprints of the appointee, to the Department of Justice, which shall thereupon submit to the judge, in writing, a report of the record in its possession, if any, of the appointee. If the Department of Justice has no record of the appointee, it shall so report to the judge in writing.

(d) Upon receipt of the report the judge shall review the matter of the appointee's qualifications and fitness to act as a humane officer and, if he or she reaffirms the appointment, shall so state on a court order confirming the appointment. The appointee shall thereupon file a certified copy of the reviewed court order in the office of the county clerk of the county or city and county and shall at the same time take and subscribe the oath of office prescribed for constables or other peace officers.

(e) The county clerk shall thereupon immediately enter in a book

to be kept in his or her office and designated "Record of Humane Officers" the name of the officer, the number of his or her badge, the name of the judge appointing him or her and the date of the filing. At the time of the filing the county clerk shall collect from the officer a fee of five dollars (\$5), which shall be in full for all services to be performed by the county clerk under this section.

(f) All appointments of humane officers shall automatically expire if the society disbands or legally dissolves. In addition, all appointments of humane officers shall automatically expire within three years from the date on which the certified copy of the court order was filed with the county clerk. Officers whose appointments are about to expire may only be reappointed in the same manner as provided in this section for new appointments.

(g) The corporation appointing an officer may revoke an appointment at any time by filing in the office of the county clerk in which the appointment of the officer is recorded a copy of the revocation in writing under the letterhead of the corporation and duly certified by its executive officer. Upon the filing the county clerk shall enter the fact of the revocation and the date of the filing thereof opposite the name of the officer in the record of humane officers.

(h) On and after January 1, 1995, all humane officers shall, within one year of appointment, provide evidence satisfactory to the society that he or she has successfully completed courses of training in the following subjects:

(1) At least 20 hours of a course of training in animal care sponsored or provided by an accredited postsecondary institution, the focus of which shall be the identification of disease, injury, and neglect in domestic animals and livestock.

(2) At least 40 hours of a course of training in the state humane laws sponsored or provided by an accredited postsecondary institution.

(3) A course of training as prescribed by the Commission on Peace Officer Standards and Training, as specified in Section 832 of the Penal Code.

On and after January 1, 1995, every humane officer shall, within one year of reappointment, provide evidence satisfactory to the society that he or she has successfully completed at least 40 hours in courses of training during the preceding three years in either animal care as described by paragraph (1) or the current criminal and civil law pertinent to humane officers, or a combination of both, sponsored or provided by an accredited postsecondary institution or a local law enforcement agency.

(4) The corporation or local humane society appointing the humane officer shall pay the training expenses of the humane officer attending the above-stated courses of training.

(i) Humane officers, after qualifying as above provided, shall have power at all places within the state lawfully to interfere to prevent the perpetration of any act of cruelty upon any dumb animal and

may use such force as may be necessary to prevent the same and to that end may summon to their aid any bystander. They may make arrests for the violation of any penal law of this state relating to or affecting animals in the same manner as a constable or other peace officer. Except as otherwise provided by this section, a humane officer shall serve only in the county in which he or she is appointed. A humane officer may serve in a county other than that in which he or she is appointed only if he or she first informs the sheriff of the county that he or she intends to serve in that county. A humane officer is authorized to carry weapons while engaged in his or her duties as a humane officer, upon satisfactory completion of training, as approved by the Commission on Peace Officer Standards and Training, in the use of weapons.

(j) Every humane officer shall, when making an arrest, exhibit and expose a suitable badge to be adopted by the corporation under this title of which he or she is a member which shall bear its name and a number.

(k) Any person resisting a humane officer in the performance of his or her duty as provided in this section, is guilty of a misdemeanor. Any person who has not been appointed and qualified as a humane officer as provided in this section, or whose appointment has been revoked as provided in this section, or whose appointment, having expired, has not been renewed as provided in this section, who shall represent himself or herself to be or shall attempt to act as an officer shall be guilty of a misdemeanor.

CHAPTER 85

An act to amend Section 2982.2 of the Civil Code, relating to vehicles, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor May 20, 1994. Filed with
Secretary of State May 20, 1994.]

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

SECTION 1. Section 2982.2 of the Civil Code, as added by Chapter 28 of the Statutes of 1994, is amended to read:

2982.2. Any conditional sale contract executed after June 30, 1994, for the sale of a new motor vehicle shall contain a notification to the buyer of the availability of a certificate of exemption pursuant to subdivision (b) of Section 4000.6 of the Vehicle Code.

SEC. 2. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order that motor vehicle dealers be allowed sufficient time to

comply with Section 2982.2 of the Civil Code, and to avoid the potential invalidation of contracts executed without the notice required by that section, it is necessary that this act take effect immediately.

CHAPTER 86

An act to add Section 10241.4 to the Business and Professions Code, relating to real estate.

[Approved by Governor May 20, 1994. Filed with
Secretary of State May 20, 1994.]

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

SECTION 1. Section 10241.4 is added to the Business and Professions Code, to read:

10241.4. (a) Prior to a borrower becoming obligated on any loan secured by a dwelling that provides for a balloon payment and is otherwise subject to Section 10240, if any agreement includes a promise, representation, or similar undertaking to extend or seek the extension of the term of the loan or refinancing of the loan, and the undertaking is not set forth in the promissory note evidencing the loan or in a rider to that note, the undertaking shall be in writing and the notice required by this section shall be provided to the borrower.

(b) The notice required by subdivision (a), shall state in at least 10-point boldface capitalized type:

“AS THIS LOAN PROVIDES FOR A BALLOON PAYMENT, SEE THE MORTGAGE LOAN DISCLOSURE STATEMENT/GOOD FAITH ESTIMATE FOR IMPORTANT INFORMATION ON BALLOON PAYMENTS. ALSO, REFER TO THE LOAN DOCUMENTS AND THIS EXTENSION AGREEMENT FOR YOUR SPECIFIC RIGHTS AND OBLIGATIONS.”

(c) The notice shall also contain, in at least 10-point boldface capitalized type, either of the following statements depending upon which statement best describes the nature of the undertaking:

(1) The lender or noteholder has agreed to an extension, refinancing, or renegotiation of the terms of this loan, and the lender's or noteholder's signed agreement is attached (or the notice may describe the method used to furnish that signed document). Transmission by a broker of a lender's or noteholder's undertaking or the broker's representation of that undertaking, pursuant to this section, does not of itself, create or alter any agency or similar relationship between the lender or noteholder and the borrower, or the lender or noteholder and the broker.

(2) The broker, _____ (insert name of broker making or arranging the loan), has agreed to use his or her best efforts to obtain a future extension, refinancing, or renegotiation of the loan by the

lender or note owner. There can be no assurance or guarantee that the lender or note owner will agree.

SEC. 2. Section 1 of this act shall become operative on July 1, 1995.

SEC. 3. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs which may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, changes the definition of a crime or infraction, changes the penalty for a crime or infraction, or eliminates a crime or infraction. Notwithstanding Section 17580 of the Government Code, unless otherwise specified in this act, the provisions of this act shall become operative on the same date that the act takes effect pursuant to the California Constitution.

CHAPTER 87

An act to amend Section 67655 of the Government Code, relating to redevelopment, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor May 20, 1994. Filed with
Secretary of State May 20, 1994.]

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

SECTION 1. Section 67655 of the Government Code, as added by Chapter 64 of the Statutes of 1994, is amended to read:

67655. Unless the context otherwise requires, the definitions contained in this chapter govern the construction of this title.

(a) "Authority" means the Fort Ord Reuse Authority.

(b) "Base-wide facility" means a public capital facility which, in the judgment of the board, is important to the overall reuse of Fort Ord, and has significance beyond any single city or the unincorporated area of the county.

(c) "Board" means the governing board of the authority, as specified in Section 67660.

(d) "Fort Ord Reuse Plan" means the plan for the future use of Fort Ord adopted pursuant to Section 67675.

(e) "Legislative body" means the city council of a city or the board of supervisors of a county, or the legislative body or governing board of any other public agency.

(f) "Local facility" means a public capital facility which, in the judgment of the board, is important primarily within a single city or the unincorporated area of the county.

(g) "Member agency" means the County of Monterey and the City of Carmel, the City of Del Rey Oaks, the City of Marina, the City of Sand City, the City of Monterey, the City of Pacific Grove, the City of Salinas, or the City of Seaside.

(h) "Fort Ord," including references to the territory or area of Fort Ord, means the geographical area described in the document entitled "Description of the Fort Ord Military Reservation Including Portion of the Monterey City Lands Tract No. 1, the Saucito, Laguna Seca, El Chamisal, El Toro and Noche Buena Ranchos, the James Bardin Partition of 1880 and Townships 14 South, Ranges 1 and 2 East and Townships 15 South, Ranges 2 and 3 East, M.D.B. and M. Monterey County, California," prepared by Bestor Engineers, Inc., and delivered to the Sacramento District Corps of Engineers on April 11, 1994.

(i) "Public capital facilities" means all public capital facilities described in the Fort Ord Reuse Plan, including, but not limited to, roads, freeways, ramps, air transportation facilities and freight hauling and handling facilities, sewage and water conveyance and treatment facilities, school, library, and other educational facilities, and recreational facilities, that could most efficiently and conveniently be planned, negotiated, financed, or constructed by the authority to further the integrated future use of Fort Ord.

(j) "Redevelopment authority," for purposes of the transfer of property at military bases pursuant to Title XXIX of the National Defense Authorization Act for the 1994 fiscal year, means the Fort Ord Reuse Authority, except that, with respect to property within the territory of Fort Ord that is transferred or to be transferred to the California State University or to the University of California, "redevelopment authority" solely for purposes of the transfer of property at military bases pursuant to Title XXIX of the National Defense Authorization Act for the 1994 fiscal year means the California State University or the University of California, and does not mean the Fort Ord Reuse Authority.

SEC. 2. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to facilitate the transfer of property to the California State University or the University of California within the territory of the former Fort Ord military base at the earliest possible time, it is necessary that this bill take effect immediately.

CHAPTER 88

An act to amend Section 655 of the Vehicle Code, relating to vehicles.

[Approved by Governor May 20, 1994. Filed with
Secretary of State May 20, 1994.]

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

SECTION 1. Section 655 of the Vehicle Code is amended to read:
655. (a) A "truck tractor" is a motor vehicle designed and used primarily for drawing other vehicles and not so constructed as to carry a load, other than a part of the weight of the vehicle and the load so drawn. As used in this section, "load" does not include items carried on the truck tractor in conjunction with the operation of the vehicle if the load carrying space for these items does not exceed 34 square feet.

(b) Notwithstanding subdivision (a), a truck tractor, operated by a motor carrier whose owner is licensed by the Department of the California Highway Patrol to transport explosives pursuant to Division 14 (commencing with Section 31600), may be equipped with a cargo container used exclusively for the transportation of explosives or munitions-related security material, as specified by the United States Department of Defense.

CHAPTER 89

An act to amend Section 140107 of the Public Utilities Code, relating to transportation, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor May 20, 1994. Filed with
Secretary of State May 20, 1994.]

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

SECTION 1. The Legislature hereby finds and declares that:

(a) A mechanism is needed to permit the payment of salaries and benefits for Santa Clara County Traffic Authority employees after the March 31, 1995, expiration of the transactions and use tax being administered by the authority, since under current law the authority may continue to operate for two years after that date.

(b) Under existing law, the authority may not expend in any year, for salaries and benefits of its staff, more than six-tenths of 1 percent of the funds generated pursuant to Division 13 (commencing with Section 140000) of the Public Utilities Code, that created the authority. This limitation may seriously curtail the authority's ability

to pay salaries and benefits after the March 31, 1995, termination of the transactions and use tax because very few additional funds, if any, are expected to be generated after that time. Salaries and benefits owed for the two years after termination of the tax will be paid from the authority's remaining cash balance.

SEC. 2. Section 140107 of the Public Utilities Code is amended to read:

140107. (a) The authority shall rely to the extent possible on existing state, regional, and local transportation planning and programming data and expertise, rather than on a large duplicative authority staff and set of plans.

(b) The authority shall not expend more than six-tenths of 1 percent of the funds generated pursuant to this division in any year for salaries and benefits of its staff.

(c) During the period beginning April 1, 1995, and ending March 31, 1997, the authority shall not expend for salaries and benefits of its staff in each 12-month period an amount that is more than six-tenths of 1 percent of the revenues generated in any year pursuant to this division.

SEC. 3. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to enable the Santa Clara County Traffic Authority to continue to pay the salaries and benefits of its staff after March 31, 1995, it is necessary for this act to take effect immediately.

CHAPTER 90

An act to amend Section 2933 of the Penal Code, relating to sentencing credits, and declaring the urgency thereof to take effect immediately.

[Approved by Governor June 6, 1994. Filed with
Secretary of State June 6, 1994.]

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

SECTION 1. Section 2933 of the Penal Code is amended to read:

2933. (a) It is the intent of the Legislature that persons convicted of a crime and sentenced to the state prison, under Section 1170, serve the entire sentence imposed by the court, except for a reduction in the time served in the custody of the Director of Corrections for performance in work, training or education programs established by the Director of Corrections. Worktime credits shall apply for performance in work assignments and performance in elementary, high school, or vocational education programs. Enrollment in a two- or four-year college program leading

to a degree shall result in the application of time credits equal to that provided in Section 2931. For every six months of full-time performance in a credit qualifying program, as designated by the director, a prisoner shall be awarded worktime credit reductions from his or her term of confinement of six months. A lesser amount of credit based on this ratio shall be awarded for any lesser period of continuous performance. Less than maximum credit should be awarded pursuant to regulations adopted by the director for prisoners not assigned to a full-time credit qualifying program. Every prisoner who refuses to accept a full-time credit qualifying assignment or who is denied the opportunity to earn worktime credits pursuant to subdivision (a) of Section 2932 shall be awarded no worktime credit reduction. Every prisoner who voluntarily accepts a half-time credit qualifying assignment in lieu of a full-time assignment shall be awarded worktime credit reductions from his or her term of confinement of three months for each six-month period of continued performance. Except as provided in subdivision (a) of Section 2932, every prisoner willing to participate in a full-time credit qualifying assignment but who is either not assigned to a full-time assignment or is assigned to a program for less than full time, shall receive no less credit than is provided under Section 2931. Under no circumstances shall any prisoner receive more than six months' credit reduction for any six-month period under this section.

(b) Worktime credit is a privilege, not a right. Worktime credit must be earned and may be forfeited pursuant to the provisions of Section 2932. Except as provided in subdivision (a) of Section 2932, every prisoner shall have a reasonable opportunity to participate in a full-time credit qualifying assignment in a manner consistent with institutional security and available resources.

(c) Under regulations adopted by the Department of Corrections, which shall require a period of not more than one year free of disciplinary infractions, worktime credit which has been previously forfeited may be restored by the director. The regulations shall provide for separate classifications of serious disciplinary infractions as they relate to restoration of credits; the time period required before forfeited credits or a portion thereof may be restored; and the percentage of forfeited credits that may be restored for these time periods. For credits forfeited for commission of a felony specified in paragraph (1) of subdivision (a) of Section 2932, the Department of Corrections may provide that up to 180 days of lost credit shall not be restored and up to 90 days of credit shall not be restored for a forfeiture resulting from conspiracy or attempts to commit one of those acts; provided that no credits may be restored if they were forfeited for a serious disciplinary infraction in which the victim died or was permanently disabled. Upon application of the prisoner and following completion of the required time period free of disciplinary offenses, forfeited credits eligible for restoration under the regulations shall be restored unless, at a hearing, it is found that the prisoner refused to accept or failed to perform in a credit qualifying

assignment or extraordinary circumstances are present that require that credits not be restored. "Extraordinary circumstances" shall be defined in the regulations adopted by the director.

The prisoner may appeal the finding through the Department of Corrections review procedure, which shall include a review by an individual independent of the institution who has supervisory authority over the institution.

(d) The provisions of subdivision (c) shall also apply in cases of credit forfeited under Section 2931 for offenses and serious disciplinary infractions occurring on or after January 1, 1983.

(e) Any person sentenced to a term in the state prison under subdivision (a) or (c) of Section 190 shall be eligible only for credit pursuant to subdivisions (a), (b), and (c) of Section 2931.

SEC. 2. This bill shall become operative only if Proposition 179 on the June 7, 1994, primary election ballot is adopted by the voters.

SEC. 3. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order that the intent of Proposition 179 on the June 7, 1994, primary election ballot may be carried out in the event that the measure is adopted by the voters, it is necessary that this act take effect immediately.

CHAPTER 91

An act to amend Section 19542 of the Revenue and Taxation Code, relating to taxation.

[Approved by Governor June 6, 1994. Filed with
Secretary of State June 6, 1994.]

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

SECTION 1. Section 19542 of the Revenue and Taxation Code is amended to read:

19542. Except as otherwise provided in this article and as required to administer subdivision (b) of Section 19005, it is a misdemeanor for the Franchise Tax Board or any member thereof, or any deputy, agent, clerk, or other officer or employee of the state (including its political subdivisions), or any former officer or employee or other individual, who in the course of his or her employment or duty has or had access to returns, reports, or documents required to be filed under this part, to disclose or make known in any manner information as to the amount of income or any particulars (including the business affairs of a bank or corporation) set forth or disclosed therein.

SEC. 2. The Legislature finds and declares that the amendment

to Section 19542 of the Revenue and Taxation Code made by this act does not constitute a change in, but is declaratory of, existing law.

CHAPTER 92

An act to amend Section 1 of Chapter 1201 of the Statutes of 1991, relating to air pollution.

[Approved by Governor June 6, 1994. Filed with
Secretary of State June 6, 1994.]

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

SECTION 1. Section 1 of Chapter 1201 of the Statutes of 1991 is amended to read:

Sec. 1. (a) The San Joaquin Valley Unified Air Pollution Control District formed by the Counties of Fresno, Kern, Kings, Madera, Merced, San Joaquin, Stanislaus, and Tulare pursuant to Chapter 3 (commencing with Section 40150) of Part 3 of Division 26 of the Health and Safety Code, and consisting of the Counties of Fresno, Kings, Madera, Merced, San Joaquin, Stanislaus, and Tulare, and that portion of the County of Kern that is within the San Joaquin Valley Air Basin, is a single integrated agency with all staff under one centralized management structure that is able to implement programs on a basinwide basis, and has all of the following:

(1) An individual air pollution control officer who is responsible for the issuance of all permits by the unified district.

(2) A single budget for the unified district with resources allocated based on the program needs of the San Joaquin Valley Air Basin.

(3) A uniform fee structure.

(4) Three hearing boards established pursuant to Section 40800 of the Health and Safety Code. One hearing board shall serve the northern region, one shall serve the central region, and one shall serve the southern region, as defined by the unified district board. Identical policies governing the operation of each hearing board shall be established by the unified district board and shall be binding upon each hearing board.

(5) A citizen's advisory committee.

(b) Rules and regulations adopted by the San Joaquin Valley Unified Air Pollution Control District are binding on all counties within the unified district. The unified district shall enforce all permits issued by the unified district and all permits issued by the individual county districts prior to formation of the unified district. The unified district shall review, revise, adopt, and implement any air pollution control plans required within the San Joaquin Valley Air Basin by state and federal law.

(c) Notwithstanding any other provision of law, the San Joaquin

Valley Unified Air Pollution Control District shall (1) be governed by a district board as described in Section 41102 of the Health and Safety Code, and (2) have the authority set forth in Article 3 (commencing with Section 41120) of Chapter 11 of Part 3 of Division 26 of the Health and Safety Code.

(d) If the San Joaquin Valley Unified Air Pollution Control District ceases to exist, Sections 39058.3, 39058.5, 40002, and 40104 of, and Chapter 11 (commencing with Section 41100) of Part 3 of Division 26, as added by Chapter 1201 of the Statutes of 1991, of, the Health and Safety Code shall become operative on the date that the unified district ceases to exist.

CHAPTER 93

An act to amend Sections 11751 and 11757 of the Government Code, relating to the Hawkins Data Center, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 6, 1994. Filed with
Secretary of State June 6, 1994.]

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

SECTION 1. Section 11751 of the Government Code is amended to read:

11751. There is in the Department of Justice the Hawkins Data Center. The Hawkins Data Center shall be under the supervision of a data center director who shall be appointed by the Attorney General, pursuant to civil service. The data center director shall be responsible for the efficient and effective management and operation of the data center.

SEC. 2. Section 11757 of the Government Code is amended to read:

11757. No exchange or transfer of data between data centers by intercoupling, or telecommunication, shall be made except with the approval of the Department of Finance. This section shall not prohibit the transmission of data from the Department of Motor Vehicles to the Hawkins Data Center in order to obtain vehicle registration and driver license data for criminal justice information purposes, or transmission of data between centers in the same state agency.

SEC. 3. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to conform applicable statutes as soon as possible to the item of appropriation listed in the 1994-95 Governor's Budget to the Hawkins Data Center, it is necessary that this act take effect

immediately.

CHAPTER 94

An act to add Title 6.7 (commencing with Section 63000) to the Government Code, and to amend Sections 50054, 50150, 50154, 50176, 50185, 50187, 50190, 50193, 50196, 50663, 50667, 50837, 50900, 50901, 50902, and 50908 of, and to amend the heading of Part 3 (commencing with Section 50900) of Division 31 of, the Health and Safety Code, relating to economic development, and making an appropriation therefor.

[Approved by Governor June 6, 1994. Filed with
Secretary of State June 6, 1994.]

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

SECTION 1. Title 6.7 (commencing with Section 63000) is added to the Government Code, to read:

TITLE 6.7. INFRASTRUCTURE FINANCE

DIVISION 1. THE BERGESON-PEACE INFRASTRUCTURE BANK ACT

CHAPTER 1. GENERAL PROVISIONS

Article 1. Findings and Declarations

63000. The Legislature finds and declares the following:

(a) Economic revitalization, future development, and a healthy climate for jobs in California will depend upon a well-conceived system of public improvements that are essential to the economic well-being of the citizens of the state and are necessary to maintain, as well as create, employment within the state for business.

(b) It is necessary for public policy to support the efforts of businesses attempting to expand, businesses seeking to locate in California, and local economic development organizations, public agencies, and new entrepreneurs by dedicating public fiscal resources to confront obstacles and barriers that impede economic growth.

(c) Existing mechanisms that coordinate federal, state, local, and private financial resources are inadequate to attract and sustain that level of private investment that is essential to a growth economy.

(d) The high cost and limited availability of loans and capital has led a number of states to take action to remedy these conditions through concerted public and private investment programs that include efforts to do the following:

(1) Use the state's access to capital markets more effectively for economic development.

(2) Create financing pools to access national capital markets or help government sponsors, public-private economic development organizations, and private parties obtain credit enhancement on their own.

(3) Facilitate credit enhancement for selected specific projects.

(4) Provide or arrange for loan insurance.

(5) Create and support secondary markets for loan portfolios of urban and rural economic development corporations and others.

(6) Improve access to international capital markets.

(7) Provide opportunities for public pension funds and other institutional investors to play a larger role in state economic development.

(8) Arrange for or provide subordinated debt for selected projects.

(9) Increase support for local infrastructure development.

(e) Local governments in California bear a primary responsibility for the business of promoting job creation and economic development efforts. California's continued reliance on autonomous local entities often fails to adequately consider regional impacts of business expansion. Projects of a regional nature need the benefit of a state coordinating function to augment and enhance local economic development and environmental efforts.

(f) The State of California has not embarked on a major infrastructure financing effort since the decade of the 1960's, despite persistent unemployment and soaring population growth.

(g) California's ability to compete in a global economy depends upon its capacity to implement policies that take maximum advantage of public and private resources at the local, regional, state, and national levels. These policies should be coordinated with any future legislative plan involving growth management strategies designed to make economic growth compatible with environmental protections. It is the intent of the Legislature in enacting this act to create a mechanism to finance projects needed to implement economic development and job creation and growth management strategies, and to provide a secure and stable funding source for implementation of this act in order to meet critical economic, social, and environmental concerns.

(h) The State of California needs a financing entity structured with broad authority to issue bonds, provide guarantees, and leverage state funds using techniques that will target public investment to facilitate economic development. The goal is to produce more private sector jobs with less public sector investment.

(i) The mechanisms for financing public improvements and private job creation strategies provided for in this act are in the public interest, serve a public purpose, and will promote the health, welfare, and safety of the citizens of the state.

(j) The public policies and responsibilities of the state, including

all of the above purposes and functions, cannot be fully obtained without the use of financing assistance and can be most effectively furthered by the creation of the California Infrastructure Bank.

63001. It is not the intent of this act to supersede the existing process for approving industrial development bonds or establish a process for approving industrial development bonds separate from that currently established in Title 10 (commencing with Section 91500).

63002. This division shall be known and may be cited as the Bergeson-Peace Infrastructure Bank Act.

Article 2. Definitions

63010. For purposes of this division, the following words and terms shall have the following meanings unless the context clearly indicates or requires another or different meaning or intent:

(a) "Act" means the Bergeson-Peace Infrastructure Bank Act.

(b) "Agency" means the California Housing and Infrastructure Finance Agency, created pursuant to Part 3 (commencing with Section 50900) of Division 31 of the Health and Safety Code, and any board, commission, department, or officer succeeding to the functions thereof, or to whom the powers conferred upon the agency by this division shall be given by law. For purposes of the state General Obligation Bond Law (Chapter 4 (commencing with Section 16720) of Part 3 of Division 4 of Title 2), the agency shall be deemed to be the committee.

(c) "Bank" means the California Infrastructure Bank.

(d) "Board" means the board of directors of the California Housing and Infrastructure Finance Agency.

(e) "Bond purchase agreement" means a contractual agreement executed between the bank and a sponsor whereby the bank agrees to purchase bonds of the sponsor.

(f) "Bonds" means bonds, notes (including bond, revenue, tax or grant anticipation notes), commercial paper, floating rate, and variable maturity securities, and any other evidences of indebtedness, including certificates of participation, or lease-purchase agreements, whether taxable or excludable from gross income for federal income taxation purposes.

(g) "Cost," as applied to a project or portion thereof financed under this division, means all or any part of the cost of construction, renovation, and acquisition of all lands, structures, real or personal property, rights, rights-of-way, franchises, licenses, easements, and interests acquired or used for a project; the cost of demolishing or removing any buildings or structures on land so acquired, including the cost of acquiring any lands to which the buildings or structures may be moved; the cost of all machinery and equipment and financing charges; interest prior to, during, and for a period after, completion of construction, renovation, or acquisition, as determined by the bank; provisions for working capital; reserves for

principal and interest and for extensions, enlargements, additions, replacements, renovations, and improvements; the cost of architectural, engineering, financial and legal services, plans, specifications, estimates, administrative expenses, and other expenses necessary or incidental to determining the feasibility of any project or incidental to the construction, acquisition, or financing of any project.

(h) "Executive director" means the executive director of the agency appointed pursuant to Section 50908 of the Health and Safety Code.

(i) "Facilities" means real and personal property, structures, conveyances, equipment, thoroughfares, buildings, and supporting components thereof that are directly related to providing the following:

(1) "City streets" includes any street, avenue, boulevard, road, parkway, drive, or other way that is any of the following:

(A) An existing municipal roadway.

(B) Is shown upon a plat approved pursuant to law and includes the land between the street lines, whether improved or unimproved, and may comprise pavement, bridges, shoulders, gutters, curbs, guardrails, sidewalks, parking areas, benches, fountains, plantings, lighting systems, and other areas within the street lines as well as equipment and facilities used in the cleaning, grading, clearance, maintenance, and upkeep thereof.

(2) "County highways" includes any county highway as defined in Section 25 of the Streets and Highways Code, that includes the land between the highway lines, whether improved or unimproved, and may comprise pavement, bridges, shoulders, gutters, curbs, guardrails, sidewalks, parking areas, benches, fountains, plantings, lighting systems, and other areas within the street lines, as well as equipment and facilities used in the cleaning, grading, clearance, maintenance, and upkeep thereof.

(3) "Drainage and flood control" includes ditches, canals, levees, pumps, dams, conduits, pipes, storm sewers, and dikes necessary to keep or direct water away from people, equipment, buildings, and other protected areas as may be established by lawful authority, as well as the acquisition, improvement, maintenance, and management of floodplain areas and all equipment used in the maintenance and operation of the foregoing.

(4) "Educational facilities" includes libraries, child care facilities, including, but not limited to, day care facilities, and employment training facilities.

(5) "Environmental mitigation measures" includes required construction or modification of public infrastructure, purchase and installation of pollution control and noise abatement equipment, and financing of affordable housing.

(6) "Parks and recreational facilities" includes local parks, recreational property and equipment, parkways and property.

(7) "Port facilities" includes docks, harbors, piers, ships, small boat

harbors and marinas, and any other facilities, additions, or improvements in connection therewith.

(8) "Communications" includes facilities for telephone and telecommunications service.

(9) "Public transit" includes air and rail transport of goods, airports, guideways, vehicles, rights-of-way, passenger stations, maintenance and storage yards, and related structures, including public parking facilities, equipment used to provide or enhance transportation by bus, rail, ferry, or other conveyance, either publicly or privately owned, that provides to the public general or special service on a regular and continuing basis.

(10) "Sewage collection and treatment" includes pipes, pumps, and conduits that collect wastewater from residential, manufacturing, and commercial establishments, the equipment, structures, and facilities used in treating wastewater to reduce or eliminate impurities or contaminants, and the facilities used in disposing of, or transporting, remaining sludge, as well as all equipment used in the maintenance and operation of the foregoing.

(11) "Solid-waste collection and disposal" includes vehicles, vehicle-compatible waste receptacles, transfer stations, recycling centers, sanitary landfills, and waste conversion facilities necessary to remove solid waste, except that which is hazardous as defined by law, from its point of origin.

(12) "Water treatment and distribution" includes facilities in which water is purified and otherwise treated to meet residential, manufacturing, or commercial purposes and the conduits, pipes, and pumps that transport it to places of use.

(13) "Defense conversion" includes, but is not limited to, facilities necessary for successfully converting military bases to commercial uses.

(j) "Financial assistance" in connection with a project, includes, but is not limited to, any combination of grants, loans, the proceeds of bonds, insurance, guarantees or other credit enhancements or liquidity facilities, and contributions of money, property, labor, or other things of value, as may be approved by resolution of the board or the sponsor, or both; the purchase of bonds of a sponsor by the bank or the issuance of bank bonds used to fund the cost of a project for which a sponsor is directly or indirectly liable, including, but not limited to, bonds, the security for which is provided in whole or in part pursuant to the powers granted by Section 63025; bonds for which the bank has provided a guarantee or enhancement pursuant to Chapter 4 (commencing with Section 63060); or any other type of assistance deemed appropriate by the bank or the sponsor, except that no direct loans shall be made to nonpublic entities.

For purposes of this subdivision, "grant" does not include grants made by the bank except when acting as an agent or intermediary for the distribution or packaging of financing available from federal, private, or other public sources.

(k) "Guarantee trust fund" means the California Infrastructure

Guarantee Trust Fund.

(l) "Infrastructure bank fund" means the California Infrastructure Bank Fund.

(m) "Loan agreement" means a contractual agreement executed between the bank and a sponsor that provides that the bank will loan funds to the sponsor and that the sponsor will repay the principal and pay the interest and redemption premium, if any, on the loan.

(n) "Participating party" means any person, company, corporation, partnership, firm, or other entity or group of entities engaged in business within the state and that applies for financing from the bank in conjunction with a sponsor for the purpose of implementing a project.

(o) "Project" means designing, acquiring, planning, permitting, entitling, constructing, improving, extending, restoring, financing, and generally developing facilities within the state.

(p) "Revenues" means all receipts, purchase payments, loan repayments, lease payments, and all other income or receipts derived by the bank or a sponsor from the sale, lease, or other financing arrangement undertaken by the bank, a sponsor or a participating party, including, but not limited to, all receipts from a bond purchase agreement, and any income or revenue derived from the investment of any money in any fund or account of the bank or a sponsor. Revenues shall not include moneys in the General Fund of the state.

(q) "Sponsor" means any subdivision of the state or local government including departments, agencies, commissions, cities, counties, nonprofit corporations formed on behalf of a sponsor, special districts, assessment districts, and joint powers authorities within the state or any combination of these subdivisions that has, or proposes to acquire, an interest in a project and that makes application to the bank for financial assistance in connection with a project in a manner prescribed by the bank.

(r) "State" means the State of California.

CHAPTER 2. CALIFORNIA INFRASTRUCTURE BANK**Article 1. Creation of the Bank**

63020. (a) This division assigns powers and duties to the California Housing and Infrastructure Finance Agency that are in addition to any other powers and duties provided by any other provision of law, including, but not limited to, all powers provided by Part 3 (commencing with Section 50900) of Division 31 of the Health and Safety Code. These powers are incorporated into this division by reference, and made a part of the powers of the agency conferred by this division.

(b) No member of the agency shall participate in any agency action or attempt to influence any decision or recommendation by any employee of, or consultant to, the agency that involves a sponsor

of which he or she is a representative, elected or appointed official, or in which the member has a direct personal financial interest within the meaning of Section 87100.

63021. (a) There is within the agency the California Infrastructure Bank which shall be responsible for administering the provisions of this division.

(b) The bank shall be under the direction of the executive director of the agency.

(c) A deputy to the executive officer for infrastructure and an infrastructure finance officer shall be appointed by the Governor, after consideration of the recommendation of the executive director. The deputy and infrastructure finance officer shall hold office at the pleasure of the executive director and shall receive a salary determined by the executive director, subject to the approval of the Department of Finance.

63022. The executive director shall manage and conduct the business and affairs of the bank, the infrastructure bank fund, and guarantee trust fund, subject to the direction of the board. Subject to any conditions that the board may from time to time prescribe, the executive director may exercise any power, function, or duty conferred by law on the bank in connection with the administration, management, and conduct of the business and affairs of the bank, the infrastructure bank fund, and the guarantee trust fund.

63023. In administering and directing the day-to-day operations of the agency in regard to this division, the executive director, or whoever he or she shall assign, may do any of the following without authorization by resolution of the board unless specifically restricted by resolution of the board:

(a) Enter into contracts for investment, guarantee, or enhancement.

(b) Establish procedures, guidelines, criteria, terms, conditions or other requirements of any contract, bond, grant, or program, as the case may be, in order to carry out the intents and purposes of the board in authorizing any bond, loan, or grant program pursuant to this division.

(c) Decline to guarantee any risk, or to enter into any contract, in which the minimum requirements of the guarantee trust fund or the infrastructure bank fund are not complied with.

(d) Reinsure any risk or any part of any risk.

(e) Make rules for payments through the infrastructure bank fund and the settlement of claims against the guarantee trust fund and determine to whom and through whom the payments are to be made.

(f) Enter into any contracts or obligations relating to the infrastructure bank fund and the guarantee trust fund.

(g) Invest and reinvest the moneys belonging to the infrastructure bank fund and the guarantee trust fund as provided by this division.

(h) Enter into any contract or agreement, execute any

instrument, conduct all business and affairs, and perform all acts relating to the infrastructure bank fund and the guarantee trust fund whether or not specifically designated in this division.

63024. The executive director may contract with the Trade and Commerce Agency, the Department of Finance, the State Department of Health Services, the Department of Transportation, the Department of Water Resources, the California Integrated Waste Management Board, the State Water Resources Control Board, the Governor's Office of Planning and Research, and any other necessary persons to enable the agency to properly perform the duties imposed by this division.

63025. The bank may do any of the following:

(a) Adopt bylaws for the regulation of its affairs and the conduct of its business.

(b) Adopt an official seal.

(c) Sue and be sued in its own name.

(d) Issue bonds, including, at the option of the board, bonds bearing interest that is taxable for the purpose of federal income taxation, to pay all or any part of the cost of any project.

(e) Engage the services of private consultants to render professional and technical assistance and advice in carrying out the purposes of this division.

(f) Employ attorneys, financial consultants, and other advisers as may, in the bank's judgment, be necessary in connection with the issuance and sale of any bonds, notwithstanding Sections 11042 and 11043.

(g) Contract for engineering, architectural, accounting, or other services of appropriate state agencies as may, in its judgment, be necessary for the successful development of a project.

(h) Pay the reasonable costs of consulting engineers, architects, accountants, and construction, land use, recreation, and environmental experts employed by any sponsor or participating party if, in the bank's judgment, those services are necessary for the successful development of a project.

(i) On behalf of the state, take title to, and sell by installment sale or otherwise, lands, structures, real or personal property, rights, rights-of-way, franchises, easements, and other interests in lands that are located within the state as the bank may deem necessary or convenient for the financing of the project, upon terms and conditions that it considers to be reasonable.

(j) Receive and accept from any source including, but not limited to, the federal government, the state, or any agency thereof, loans, contributions, or grants, in money, property, labor, or other things of value, for, or in aid of, a project, or any portion thereof.

(k) Make secured loans to any sponsor or participating party in connection with the financing of a project in accordance with an agreement between the bank and the sponsor or a participating party. However, no loan shall exceed the total cost of the project as determined by the sponsor or the participating party and approved

by the bank.

(l) Make secured loans to any sponsor or participating party in accordance with an agreement between the bank and the sponsor or participating party to refinance indebtedness incurred by the sponsor or participating party in connection with projects undertaken and completed prior to any agreement with the bank or expectation that the bank would provide financing.

(m) Mortgage all or any portion of the bank's interest in a project and the property on which any project is located, whether owned or thereafter acquired, including the granting of a security interest in any property, tangible or intangible.

(n) Assign or pledge all or any portion of the bank's interests in assets, things of value, mortgages, deeds of trust, bonds, bond purchase agreements, loan agreements, indentures of mortgage or trust, or similar instruments, notes, and security interests in property, tangible or intangible and the revenues therefrom, of a sponsor or a participating party to which the bank has made loans, and the revenues therefrom, including payment or income from any interest owned or held by the bank, for the benefit of the holders of bonds.

(o) Make or provide for the making of grants, contributions, guarantees, insurance, credit enhancements or liquidity facilities, or other financial enhancements to a sponsor or a participating party as financial assistance for a project.

(p) Lease the project being financed to a sponsor or a participating party, upon terms and conditions that the bank deems proper; charge and collect rents therefor; terminate any lease upon the failure of the lessee to comply with any of the obligations thereof; include in any lease, if desired, provisions that the lessee shall have options to renew the lease for a period or periods, and at rents determined by the bank; purchase any or all of the project; or, upon payment of all the indebtedness incurred by the bank for the financing of the project, the bank may convey any or all of the project to the lessee or lessees.

(q) Charge and equitably apportion among sponsors and participating parties the bank's administrative costs and expenses incurred in the exercise of the powers and duties conferred by this division.

(r) Issue, obtain, or aid in obtaining, from any department or agency of the United States, from other agencies of the state, or from any private company, any insurance or guarantee to, or for, the payment or repayment of interest or principal, or both, or any part thereof, on any loan, lease, or obligation or any instrument evidencing or securing the same, made or entered into pursuant to this division.

(s) Notwithstanding any other provision of this division, enter into any agreement, contract, or any other instrument with respect to any insurance or guarantee; accept payment in the manner and form as provided therein in the event of default by a sponsor or a participating party; and issue or assign any insurance or guarantee as

security for the bank's bonds.

(t) Enter into any agreement or contract, or execute any instrument.

(u) Combine and pledge revenues to the repayment of one or more series of bonds issued pursuant to this division.

(v) Enter into any agreement or contract, execute any instrument, and perform any act or thing necessary or convenient to, directly or indirectly, secure the bank's bonds or a sponsor's obligations to the bank (including, but not limited to, bonds of a sponsor purchased by the bank), with funds or moneys that are legally available and that are due or payable to the sponsor by reason of any grant, allocation, or appropriation of the state or agencies thereof, to the extent that the Controller shall be the custodian at any time of these funds or moneys; and in the event of written notice that the sponsor has not paid or is in default on its obligations to the bank, direct the Controller to withhold payment of those funds or moneys from the sponsor and to pay the same to the bank or an assignee of the bank, until the default has been cured and the amounts then due and unpaid have been paid to the bank or its assignee, or until arrangements satisfactory to the bank have been made to cure the default.

(w) Enter into any agreement or contract, execute any instrument, and perform any act or thing necessary, convenient, or appropriate to carry out any power expressly given to the bank by this division, including, but not limited to, agreements for the sale of all or any part (including principal, interest, redemption rights or any other rights or obligations) of bonds of the bank, liquidity agreements, contracts commonly known as interest rate swap agreements, forward payment conversion agreements, futures or contracts providing for payments based on levels of, or changes in, interest rates or currency exchange rates, or contracts to exchange cash flows or a series of payments, or contracts, including options, puts or calls to hedge payments, rate, spread, currency exchange, or similar exposure.

(x) Purchase, with the proceeds of the bank's bonds, bonds issued by any sponsor in connection with a project, pursuant to a bond purchase agreement or otherwise. Bonds purchased pursuant to this part may be held by the bank, pledged or assigned by the bank, or sold to public or private purchasers at public or negotiated sale, in whole or in part, separately or together with other bonds issued by the bank, and notwithstanding any other provision of law, may be bought by the bank at private sale.

(y) Enter into purchase and sale agreements with all entities, public and private, including state and local government pension funds, with respect to the sale or purchase of bonds.

(z) Invest any moneys held in reserve or sinking funds, or any moneys not required for immediate use or disbursement, in obligations that are authorized by law for the investment of trust funds in the custody of the Treasurer.

(aa) At the request of affected sponsors or participating parties, combine and pledge project revenues to repayment of one or more series of revenue bonds issued pursuant to this division.

(ab) Request the Pooled Money Investment Board for a loan from the Pooled Money Investment Account, in accordance with Section 16312, and execute those documents required by the Pooled Money Investment Board to obtain and repay the loan. The loan shall be deposited in the fund for the purpose of carrying out this chapter.

63026. (a) The fiscal powers granted to the bank by this part may be exercised without regard or reference to any other department, division, or agency of the state.

(b) No provision of this part shall be construed as a restriction or limitation upon any powers that the bank might otherwise have under any laws of this state, and this division is cumulative with respect to these powers. This division shall be deemed to provide a complete, additional, and alternative method for doing the things authorized by this division, and shall be regarded as supplemental and additional to powers conferred by other laws.

Article 2. General Provisions

63030. Bonds issued by the bank are legal investments for all trust funds, the funds of all insurance companies, banks, both commercial and savings, trust companies, executors, administrators, trustees, and other fiduciaries, for state school funds, pension funds, and for any funds that may be invested in county, school, or municipal bonds. These bonds are securities that may legally be deposited with, and received by, any state or municipal officer or agency or political subdivision of the state for any purpose for which the deposit of bonds or obligations of the state is now, or may hereafter be, authorized by law, including, deposits to secure public funds.

63031. No liability shall be incurred by the bank beyond the extent to which funds have been provided under this division, except that, for the purposes of meeting the necessary expenses of initial organization and operation until the date that the bank derives revenues or proceeds from bonds as provided under this division, the bank may borrow money as needed for these expenses from the General Fund in the State Treasury. The borrowed money shall be repaid with interest within a reasonable time after the bank receives revenues or proceeds from bonds as provided under this division.

63032. (a) The bank is not required to pay any property taxes or assessments upon, or with respect to, any project or any property acquired by, or for, the bank under this division, or upon the income therefrom, so long as the bank, on behalf of the state, holds title to the project or to the property contained in the project.

(b) The exemption of the bank from taxation of any property shall cease when title to the property is transferred from the bank to any taxable person or entity. This section does not exempt any taxable person or entity from taxation, including, but not limited to, taxation

upon a possessory interest, with respect to any project, or the property of facilities contained in any project that may otherwise be applicable to the person.

63033. The state does hereby pledge to, and agrees with, the holders of any bonds issued under this division, and with those parties who may enter into contracts with the bank pursuant to this division, that the state will not limit or alter the rights hereby vested in the bank to finance any project and to fulfill the terms of any loan agreement, lease, or other contract with the agency pursuant to this division, or in any way impair the rights or remedies of the bondholders or of the parties until those bonds, together with interest thereon, are fully discharged or provision for this discharge has been made and those contracts are fully performed on the part of the bank. The bank, as agent for the state, may include this pledge and undertaking for the state in its obligations or contracts.

63034. The bank shall establish a reasonable schedule of administrative fees, which shall be paid by the sponsor or the participating party pursuant to Section 63074, to reimburse the state for the costs of administering this division.

63035. The bank shall, not later than November 1 of each year, submit to the Governor, the Secretary of the Business, Transportation and Housing Agency, and the Legislature a report of its activities pursuant to this division for the preceding fiscal year. The report shall include all of the following:

(1) A listing of applications accepted, including a description of the expected employment impact of each project.

(2) A specification of bonds sold and interest rates thereon.

(3) The amount of other public and private funds leveraged by the assistance provided.

(4) A report of revenues and expenditures for the preceding fiscal year.

(5) A projection of the bank's needs and requirements for the coming year.

(6) Recommendations for changes in state and federal law necessary to meet the objectives of this division.

63036. It is the intent of the Legislature that the activities of the bank be fully coordinated with any future legislative plan involving growth management strategies designed to protect California's land resource, and ensure its preservation and use it in ways which are economically and socially desirable. Further, all public works financed pursuant to this division shall comply with Chapter 1 (commencing with Section 1720) of Part 7 of Division 2 of the Labor Code.

Article 3. Criteria for Selection of Projects

63040. Upon the advice of the executive director and, after consultation with the Director of the Governor's Office of Planning and Research and local government, the bank shall establish criteria,

priorities, and guidelines for the selection of projects to receive financial assistance from the bank. These criteria, priorities, and guidelines shall be consistent with Section 63041.

63041. The criteria, priorities, and guidelines shall require at least the following:

(a) The project shall be consistent with the goals and policies contained in the State Environmental Goals and Policies Report, or its successor, approved pursuant to Article 5 (commencing with Section 65041) of Chapter 1.5 of Division 1 of Title 7. After January 1, 1996, a finding of consistency under this subdivision is only required if the report is current and has been updated and approved by the Governor pursuant to the statutory timeframes included in Section 65030.

(b) If the sponsor of the project is a state agency or department, the project shall be consistent with the Capital and Infrastructure Project Planning Report prepared by the Director of Finance pursuant to Article 2 (commencing with Section 13100) of Chapter 2 of Part 3 of Title 2.

(c) If the sponsor of the project is a city, county, city and county, special district, joint powers agency, or any other political subdivision of the state, the project shall be consistent with the general plan of the city or county in which the project is located. The project shall also be consistent with the capital improvement program adopted by the city or county. The capital improvement program of that city or county shall be substantially equivalent to the program described in Section 65403.

(d) The project shall facilitate effective and efficient use of existing and future public resources so as to promote both economic development and conservation of natural resources.

(e) The project shall develop and enhance public infrastructure in a manner that will attract, create, and sustain long-term employment opportunities.

(f) Higher priority shall be assigned to those projects that provide the greatest impact in generating long-term employment opportunities.

63042. (a) Prior to submitting a project to the bank for consideration, the legislative body or bodies of the sponsor or sponsors of the project shall find, by resolution passed at a regularly scheduled public hearing, and based on substantial evidence in the record, both of the following:

(1) The legislative body has considered the goals and policies contained in the State Environmental Goals and Policies Report, or its successor, approved pursuant to Article 5 (commencing with Section 65041) of Chapter 1.5 of Division 1 of Title 7.

(2) The project is consistent with the general plan of the city or county, or city and county in which the project is located and a capital improvement plan adopted pursuant to Sections 65403 or 66002.

In the case where the membership of a legislative body does not

consist of a majority of elected members, the resolution shall also be approved by the appointing authority of each appointed member of that legislative body at a regularly scheduled public hearing.

(b) The legislative body shall submit the resolution to the bank and to the Office of Planning and Research at the same time the project is submitted to the bank for consideration. Upon receipt, the bank shall circulate copies of the resolution to affected state agencies.

(c) Any public agency may appeal the validity of a legislative body's findings in writing to the Office of Planning and Research, within 30 days after receipt of the resolution by the Office of Planning and Research. A copy of the appeal shall be submitted to the board.

(d) In the case of an appeal, the Director of the Office of Planning and Research shall make a recommendation in writing to the board within 45 days of receiving the appeal on the validity of the legislative body's findings. The Director of the Office of Planning and Research shall consult with the appellants and affected agencies, and may consult with any group or person when reviewing the appeal.

(1) If the Director of the Office of Planning and Research determines, based on substantial evidence in the record, that the legislative body's findings are valid, the director shall recommend denial of the appeal. If the director determines that the legislative body's findings are not valid, the director may nevertheless recommend disapproval of the appeal if the director finds, based on a preponderance of evidence in the record, that the specific economic benefits of the proposed project outweigh the lack of valid findings.

The director shall not determine that the legislative body's findings are not valid based on the presence or absence of one or more local policies or programs enacted to improve housing supply and affordability, including measures to attain state goals for the construction, rehabilitation, and preservation of sufficient housing with a range of prices and types to assure housing opportunities for all income groups and specifically to provide for the housing needs of persons of average and below-average income.

Nothing contained in this paragraph shall provide a presumption, in any administrative or judicial proceeding, of the validity of the director's determination regarding the legislative body's findings described in subdivision (a).

(2) The Office of Planning and Research shall transmit a written copy of the director's recommendation to the chief executive officer, the sponsor or sponsors of the project, the appellant, and other affected agencies within seven days of the making of the recommendation pursuant to this section.

(3) The recommendation of the director shall be deemed the determination of the board unless, within 30 days of receipt of the recommendation pursuant to paragraph (2), the board modifies or rejects the recommendation by an affirmative vote of two-thirds of the voting members of the board.

CHAPTER 3. CALIFORNIA INFRASTRUCTURE BANK FUND

Article 1. General

63050. (a) There is hereby created in the State Treasury the California Infrastructure Bank Fund for the purpose of implementing the objectives and provisions of this division. Within the fund there shall also be established a Sponsor Revenue Bond Account, a Participating Party Revenue Bond Account, a Grant Account, a State Infrastructure Revolving Account, a Bond Guarantee Trust Account, and additional accounts and subaccounts that the bank may establish from time to time.

(b) Notwithstanding Section 13340 and except as provided in subdivision (c), all moneys in the infrastructure bank fund are continuously appropriated without regard to fiscal years for the support of the bank and shall be available for expenditure for the purposes stated in this division.

(c) Moneys in the infrastructure bank fund shall be available for expenditure for general administration only upon appropriation by the Legislature. This subdivision shall not limit the authority of the bank to expend funds directly related to the servicing and administration of approved debt. No more than 5 percent of state general obligation bond revenues administered by the bank pursuant to this division may be expended for administrative costs.

(d) Notwithstanding any other provision of this division, not more than 15 percent of the financing annually approved by the executive director that utilizes state funds from the infrastructure bank fund may be expended upon educational facilities, environmental mitigation measures, and parks and recreational facilities.

(e) The executive director may transfer funds between the infrastructure bank fund and the guarantee trust fund when appropriate to accomplish the financing objectives of this division.

63051. The Bond Guarantee Trust Account within the infrastructure bank fund shall consist of funds approved by voters in general obligation bond acts that shall be used to guarantee bonds issued for general or specific purposes. The bank may pledge any or all of the amounts in the account authorized as a guarantee for payment of bonds issued pursuant to this chapter, including the redemption price of bonds, the payment of trustee's fees, or other similar obligations, if all of the following requirements are met:

(a) General obligation bonds have been authorized for issuance by the bond finance committee.

(b) A loan from the Pooled Money Investment Account has been authorized by the Pooled Money Investment Board in an amount equal to or less than the amount of the bond authorization and the proceeds have been deposited in the Bond Guarantee Trust Account.

(c) General obligation bonds have been issued, the proceeds of which are to be deposited in the Bond Guarantee Trust Account.

63052. (a) The bank may pledge any or all of the moneys in the

fund, including the Grant Account, as security for payment of the principal of, and interest on, any particular issuance of bonds issued pursuant to this chapter. For these purposes, or as necessary or convenient to the accomplishment of any other purpose of the bank, the bank may divide the fund into separate accounts or subaccounts. All moneys accruing to the bank pursuant to this division from any sources shall be deposited in the fund.

(b) Subject to priorities that may be created by the pledge of particular moneys in the infrastructure bank fund to secure any issuance of revenue bonds of the bank or a sponsor, and subject further to reasonable costs that may be incurred by the bank in administering the program authorized by this division, all moneys in the infrastructure bank fund derived from any source, shall be held in trust for the security and payment of revenue bonds of the bank or a sponsor and shall not be used or pledged for any other purpose so long as the revenue bonds are outstanding and unpaid. However, nothing in this section shall limit the power of the bank to authorize a sponsor to issue revenue bonds payable from revenues or to make loans with the proceeds of revenue bonds in accordance with the terms of the resolution authorizing the revenue bonds.

(c) Pursuant to any agreements with the holders of revenue bonds pledging any particular assets, revenues, or moneys, the bank may create separate accounts or subaccounts in the infrastructure bank fund to manage these assets, revenues, or moneys in the manner set forth in the agreements.

(d) The bank may, from time to time, direct the Treasurer to invest moneys in the infrastructure bank fund that are not required for its current needs, including proceeds from the sale of any bonds, in any eligible securities specified in Section 16430 as the bank shall designate. The bank may direct the Treasurer to deposit moneys in interest-bearing accounts in any bank in this state or in any savings and loan association in this state. The bank may alternatively require the transfer of moneys in the infrastructure bank fund to the Surplus Money Investment Fund for investment pursuant to Article 4 (commencing with Section 16470) of Chapter 3 of Part 2 of Division 4 of Title 2. Notwithstanding Section 16305.7, all interest or other increment resulting from the investment or deposit of moneys from the infrastructure bank fund shall be deposited in the infrastructure bank fund. Moneys in the infrastructure bank fund shall not be subject to transfer to any other funds pursuant to any provision of Part 2 (commencing with Section 16300) of Division 4 of Title 2, except to the Surplus Money Investment Fund.

(e) Subject to any agreement with holders of particular bonds, in furtherance of Section 51373 of the Health and Safety Code, and to the extent permitted by law, the bank may also invest moneys of the infrastructure bank fund, including, but not limited to, proceeds of any of its bonds or refunding bonds, in obligations of financial institutions as are permitted by board resolution. The bank may alternatively require the transfer of moneys in the infrastructure

bank fund to the Surplus Money Investment Fund for investment pursuant to Article 4 (commencing with Section 16470) of Chapter 3 of Part 2 of Division 4 of Title 2.

(f) Subject to any agreement with the holders of particular bonds, all interest or other increment resulting from the investment or deposit shall be deposited in the infrastructure bank fund, notwithstanding Section 16305.7. Moneys in the infrastructure bank fund shall not be subject to transfer to any other fund pursuant to Part 2 (commencing with Section 16300) of Division 4 of Title 2, excepting the Surplus Money Investment Fund.

(g) All moneys in the infrastructure bank fund, in excess of current requirements and not otherwise invested, may be deposited by the bank from time to time in financial institutions authorized by law to receive deposits of public moneys.

(h) The infrastructure bank fund shall be organized as a public enterprise fund.

(i) The bank shall cause all moneys in the infrastructure bank fund that are in excess of current requirements to be invested and reinvested, from time to time.

63053. (a) The bank may administer and distribute among its accounts and subaccounts, at its discretion, the revenues from any general obligation bonds issued in accordance with the State General Obligation Bond Law (Chapter 4 (commencing with Section 16720) of Part 3 of Division 4 of Title 2).

(b) The assets of the infrastructure bank fund shall be available for the payment of the salaries and other expenses charged against it in accordance with this division.

63054. All expenses incurred in carrying out the purposes of this division shall be payable solely from funds provided pursuant to this division, and no liability or obligation shall be imposed upon the state and none shall be incurred by the agency beyond the extent to which money shall have been provided pursuant to this division.

63055. (a) Moneys in the infrastructure bank fund received from the proceeds of bonds issued pursuant to this division may not be transferred to any other fund except as necessary to pay the expenses of operating the program authorized by this division, nor shall the bank utilize any moneys under the direction and control of the agency, including, but not limited to, moneys in the California Housing Loan Insurance Fund and the Housing Finance Fund, other than moneys in the infrastructure bank fund to satisfy liabilities arising from projects authorized by this division.

(b) The infrastructure bank fund, on behalf of the bank, may borrow or receive moneys from the bank or from any federal, state, or local agency or private entity, in order to create reserves in the infrastructure bank fund as provided in this division and as authorized by resolution of the board.

63056. Notwithstanding Chapter 2 (commencing with Section 12850) of Part 2.5 of Division 3 of Title 2 and Article 2 (commencing with Section 13320) of Chapter 3 of Part 3 of Division 3 of Title 2,

expenditures of the infrastructure bank fund shall not be subject to the supervision or approval of any other officer or division of state government. However, the bank's budget respecting the infrastructure bank fund shall be prepared and reviewed in accordance with Section 50913, and, not later than November 1 of each year, the agency shall submit to the Legislature a report of its activities for the prior fiscal year.

CHAPTER 4. CALIFORNIA INFRASTRUCTURE GUARANTEE TRUST FUND

63060. (a) There is hereby created in the State Treasury the California Infrastructure Guarantee Trust Fund.

Notwithstanding Section 13340 and except as provided in subdivision (b), all money in the guarantee trust fund is hereby continuously appropriated to the bank without regard to fiscal years for the purpose of insuring all or a portion of the accounts and subaccounts within the infrastructure bank fund, any contracts or obligations of the bank or a sponsor, and all or a part of any series of bonds issued by the bank or by a sponsor pursuant to this division, and for the purpose of defraying administrative expenses incurred by the bank in operating the programs of loan and bond guarantee. All insurance premiums received by the bank for insurance, guarantees, or enhancements provided pursuant to this division shall be deposited in the guarantee trust fund. The guarantee trust fund is authorized to guarantee all or a part of any of the accounts and subaccounts within the infrastructure bank fund, any contracts or obligations of the agency or a sponsor, and all or part of any series of bonds issued by the agency or by a sponsor and to authorize payment on any guarantee or enhancement of the guarantee trust fund.

(b) Moneys in the infrastructure bank fund shall be available for expenditure for general administration only upon appropriation by the Legislature. This subdivision shall not limit the authority of the bank to expend funds directly related to the servicing and administration of approved debt.

63061. Notwithstanding Chapter 2 (commencing with Section 12850) of Part 2.5 of Division 3 of Title 2 and Article 2 (commencing with Section 13320) of Chapter 3 of Part 3 of Division 3 of Title 2, expenditure of the guarantee trust fund shall not be subject to the supervision or approval of any other officer or division of state government. However, the bank's budget respecting the guarantee trust fund shall be prepared and reviewed not later than November 1 of each year and the bank shall submit to the Legislature a report of its activities for the prior fiscal year.

63062. (a) The bank may, from time to time, direct the Treasurer to invest moneys in the guarantee trust fund that are not required for its current needs in any eligible securities specified in Section 16430 that the bank shall designate. The bank may direct the

Treasurer to invest the moneys by entering into repurchase agreements or reverse repurchase agreements, which, for purposes of this section, shall mean agreements for the purchase or sale of eligible securities pursuant to which the seller or buyer agrees to repurchase or sell back the securities on or before a specified date and for a specified amount. The bank may direct the Treasurer to invest the moneys in investment agreements with corporations, financial institutions, or national associations within the United States that are rated by a nationally recognized rating service within the top three rating categories of the service. For purposes of this section, investment agreements shall mean any agreement for the investment of moneys in the guarantee trust fund whether at fixed or variable interest rates, and may include, but not be limited to, repurchase agreements, notes, uncollateralized time deposits, and certificates of deposit. The bank may direct the Treasurer to deposit moneys in interest-bearing accounts in state or national banks or other financial institutions having principal offices in this state.

(b) In furtherance of Section 51373 of the Health and Safety Code, and to the extent permitted by law, the bank may also invest moneys of the guarantee trust fund in obligations of financial institutions that are permitted by board resolution. The bank may alternatively require the transfer of moneys in the guarantee trust fund to the Surplus Money Investment Fund for investment pursuant to Article 4 (commencing with Section 16470) of Chapter 3 of Part 2 of Division 4 of Title 2.

(c) All interest or other increment resulting from the investment or deposit shall be deposited in the guarantee trust fund, notwithstanding Section 16305.7.

(d) The bank may create other accounts within the guarantee trust fund as are necessary or convenient to carry out the purposes of this article.

63063. (a) There is a guarantee reserve account in the guarantee trust fund to secure commitments under contracts to guarantee all or part of the bonds of the bank or of a sponsor, any contracts or obligations of the bank or of a sponsor, and all or part of the accounts or subaccounts within the infrastructure bank fund. The bank shall take all reasonable steps to assure that the guarantee reserve account is continuously maintained at not less than the reserve account requirement established pursuant to subdivision (a) of Section 53540. The bank shall pay all of the following into the guarantee reserve account:

(1) Moneys appropriated and made available by the Legislature for deposit in the account.

(2) Any proceeds of bonds, including general obligation bonds, to the extent provided in the resolution, trust agreement, resolutions or trust agreements authorizing the issue thereof.

(3) Any other moneys which the bank may make available for the purpose of deposit to the guarantee reserve account.

(b) The bank shall not cause sums to be withdrawn from the

guarantee reserve account in amounts which would reduce the moneys therein to less than the reserve account requirement, except as necessary to satisfy liabilities arising under contracts of guarantee. In the event that the loan guarantee reserve account is reduced to less than the reserve account requirement, the bank shall cease making commitments for, and contracts of, guarantees and enhancements until the guarantee reserve account has been restored to that requirement.

63064. (a) The Legislature may from time to time appropriate or transfer to the guarantee reserve account from funds or accounts that are legally available, an amount or amounts as the Legislature may determine. The Legislature may establish, and from time to time increase, for the guarantee reserve account a requirement that shall be known as the "reserve account requirement."

(b) If the bank determines that the amount in the reserve account is below the reserve account requirement, the executive director shall immediately certify in writing to the Joint Legislative Budget Committee, the Speaker of the Assembly, the Senate Committee on Rules, and the Governor, the sum required to restore the reserve fund to the reserve account requirement.

(c) Upon making the certification, the chief executive officer shall ask the Governor to request an appropriation, and shall use his or her best efforts to have a sum requested and appropriated.

(d) Upon receiving notice that the amount in the reserve account is below the reserve account requirement, the Legislature may, at its discretion, choose to appropriate and pay to the bank for deposit into the guarantee reserve account that sum that would restore the reserve account to an amount equal to the reserve account requirement.

(e) The bank may utilize any moneys that may be appropriated to the guarantee trust fund from time to time by the Legislature for effectuating its purposes, including, but not limited to, the payment of the initial expenses of administration and operation and the restoration of the reserve account to the reserve account requirement.

63065. (a) The obligation of the bank and of the state to pay any guarantee benefit pursuant to contracts of guarantee or any other contracts or obligations of the bank or sponsor shall be a limited obligation of the bank payable solely from amounts deposited in the guarantee trust fund that are made available therefor under the respective contracts of guarantee. The guarantee of loans or bonds under this division shall not directly or indirectly or contingently obligate the state or any political subdivision thereof to levy or to pledge any form of taxation whatever therefor, or to make any appropriation for their payment.

(b) All contracts of guarantee or any other contracts or obligations of the bank or a sponsor pursuant to this division shall contain on the face thereof a statement to the following effect: "Neither the faith and credit nor the taxing power of the State of California is pledged

to the payment of the principal of or interest on this contract of guarantee.”

(c) Moneys in the guarantee trust fund may not be transferred to any other fund except for payment on any guarantee or enhancements or except as necessary to pay the expenses of operating the program of bond guarantee and enhancement authorized by this division, nor shall the bank utilize any moneys under the direction and control of the agency, including, but not limited to, moneys in the California Housing Loan Insurance Fund and the California Housing Finance Fund, other than moneys in the guarantee trust fund, to satisfy liabilities arising from contracts of guarantee authorized by this division.

63066. The bank may charge and collect insurance guarantee or enhancement premiums for the insurance guarantees or enhancements described in this chapter and make other reasonable charges for services performed in connection with approval and processing of the guarantees or enhancements.

63067. (a) Moneys in the infrastructure bank fund received from the proceeds of bonds issued pursuant to this division may not be transferred to any other fund except as necessary to pay the expenses of operating the program authorized by this division, nor shall the bank utilize any moneys under the direction and control of the agency, including, but not limited to, moneys in the California Housing Loan Insurance Fund and the Housing Finance Fund, other than moneys in the infrastructure bank fund to satisfy liabilities arising from projects authorized by this division.

(b) The infrastructure bank fund, on behalf of the bank, may borrow or receive moneys from any federal, state, or local agency or private entity, in order to create reserves in the infrastructure bank fund as provided in this division and as authorized by resolution of the board.

CHAPTER 5. BONDS

63070. (a) The bank may, from time to time, issue its bonds in a principal amount that the bank shall determine to be necessary to provide sufficient funds for its purposes, which may include, but shall not be limited to, providing funds for the payment of costs of a project, for the purchase of bonds of a sponsor, payment of interest on bonds of the bank, establishment of reserves to secure bonds, refunding previously issued bonds or refunding bonds of the bank or a sponsor, and payment of other expenditures of the bank incident to issuance of bonds or refunding bonds of the bank.

(b) Notwithstanding any other provision of law, the bonds of any sponsor may be purchased by the bank by private sale pursuant to a bond purchase agreement, and may be issued pursuant to this title or any other provision of applicable law, and may be secured with any funds, moneys, or revenues that are legally available, including but not limited to any legally available funds or moneys that are due

or payable to the sponsor by reason of any grant, allocation, or appropriation of the state or agencies thereof, to the extent that the Controller shall be the custodian at any time of these funds or moneys.

(c) The bank may also issue bonds for the purpose of making loans to a sponsor to be used by a sponsor to pay for the cost of a project, and that loan may be secured with any funds, moneys, or revenues that are legally available, including, but not limited to, any legally available funds or moneys that are due or payable to the sponsor by reason of any grant, allocation, or appropriation of the state or agencies thereof, to the extent that the Controller shall be the custodian at any time of these funds or moneys.

63071. (a) Notwithstanding any other provision of law, a sponsor may issue bonds for purchase by the bank pursuant to a bond purchase agreement. The bank may issue bonds. These bonds may be issued pursuant to the charter of any city or any city and county that authorized the issuance of these bonds as a sponsor and may also be issued by any sponsor pursuant to the Revenue Bond Law of 1941 (Chapter 6 (commencing with Section 54300) of Division 2 of Title 5) to pay the costs and expenses pursuant to this title, subject to the following conditions:

(1) With the prior approval of the bank, the sponsor may sell these bonds in any manner as it may determine, either by private sale, or by means of competitive bid.

(2) Notwithstanding Section 54418, the bonds may be sold at a discount at any rate as the bank and sponsor shall determine.

(3) Notwithstanding Section 54402, the bonds shall bear interest at any rate and be payable at any time, as the sponsor shall determine with the consent of the bank.

(b) The total amount of bonds that may be outstanding at any one time under this chapter shall not exceed five billion dollars (\$5,000,000,000).

(c) Bonds for which moneys or securities have been deposited in trust, in amounts necessary to pay or redeem the principal, interest, and any redemption premium thereon, shall be deemed not to be outstanding for purposes of this section.

63072. (a) The bank may give final approval for the issuance of the bonds upon terms it deems necessary or desirable.

(b) The executive director may establish the terms and conditions for the issuance of the bonds and take any other action necessary or desirable for the issuance of the bonds authorized by the bank.

(c) Any action under this section shall be at the discretion of the bank.

63073. The Treasurer is the elected representative of the state to approve the issuance of bonds issued by the bank or a sponsor pursuant to this chapter, to the extent this approval is required by federal tax law.

63074. (a) The bank is authorized from time to time to issue its bonds to provide funds to achieve its purposes.

(b) Bonds may be authorized to finance a single project for a single sponsor or a participating party, a series of projects for a single sponsor or a participating party, a single project for several sponsors or participating parties, or several projects for several sponsors or participating parties.

(c) Except as otherwise expressly provided by the bank, every issue of its bonds shall be payable from any revenues or other moneys of the bank available therefor and not otherwise pledged. These revenues or moneys may include the proceeds of additional bonds, subject only to any agreements with the holders of particular bonds pledging any particular revenues or moneys. Notwithstanding that the bonds may be payable from a special fund, these bonds shall be deemed to be negotiable instruments for all purposes.

(d) Subject to the limitations in Section 63071, bonds may be issued in one or more series, may be issued as serial bonds or as term bonds or as a combination thereof. The bonds shall be authorized by resolution of the bank and shall, as provided by the resolution, bear the date of issuance, the time of maturity, which shall not exceed 50 years from the date of issuance, bear the rate or rates of interest, be payable at the time or times provided, be in the denominations provided, be in the form or forms provided, carry the registration privileges provided, be executed in the manner provided, be payable in lawful money of the United States, or other designated currency, at the place or places provided, and be subject to any terms of redemption provided therein.

(e) Sale of the bonds of the bank shall be coordinated by the Treasurer. To obtain a date for the sale of bonds, the bank shall inform the Treasurer of the amount of the proposed issue. Upon that notification, the Treasurer shall provide three 10-day periods, within the 90 days next following, when the bonds can be sold. The bank may choose any date during the suggested periods or any other date to which the bank and the Treasurer have mutually agreed. The Treasurer shall sell the bonds on the date chosen according to terms approved by the bank.

(f) The sale may be a public or private sale, and for any price or prices, and on any terms and conditions, as the bank determines proper, after giving due consideration to the recommendations of any sponsor to be assisted from the proceeds of the bonds. Pending preparation of definitive bonds, the Treasurer may issue interim receipts, certificates, or temporary bonds that shall be exchanged for definitive bonds.

63075. Any resolution authorizing any bonds or any issue of bonds of the bank or an authorized sponsor may contain the following provisions, which shall be a part of the contract with the holders of the bonds to be authorized:

(a) Provisions pledging the full faith and credit of the bank or the sponsor, or pledging all or any part of the revenues of any project, or any revenue-producing contract or contracts made by the bank with any sponsor, or any other moneys of the bank, to secure the

payment of the bonds or of any particular issue of bonds, subject to those agreements with bondholders as may then exist.

(b) Provisions setting out the rentals, fees, purchase payments, loan repayments, and other charges, and the amounts to be raised in each year thereby, and the use and disposition of the revenues.

(c) Provisions setting aside reserves or sinking funds, and the regulation and disposition thereof.

(d) Limitations on the issuance of additional bonds, the terms upon which additional bonds may be issued and secured, and the refunding of outstanding bonds.

(e) The procedure, if any, by which the terms of any contract with bondholders may be amended or abrogated, the amount of bonds and the holders thereof that are required to give consent thereto, and the manner in which the consent may be given.

(f) Limitations on the bank's expenditures for operation and administration, or other expenses.

(g) Definitions of acts or omissions to act that constitute a default in the duties of the bank to holders of its obligations, and providing the rights and remedies of the holders in the event of a default.

(h) The mortgaging of any project and the site thereof for the purpose of securing the interests of the bondholders.

(i) The mortgaging of land, improvements, or other assets owned by a sponsor or participating party for the purpose of securing the interests of the bondholders.

63076. Neither the members of the agency nor any person executing the bonds shall be personally liable for the bonds or be subject to any personal liability or accountability by reason of the issuance thereof.

63077. The bank or any sponsor or participating party may, out of any funds available therefor, purchase their respective bonds. The bank may hold, pledge, cancel, or resell the bonds, subject to and in accordance with agreements with bondholders.

63078. In the discretion of the bank or the sponsor as the case may be, any bonds issued under this chapter may be secured by a trust agreement between the bank or the sponsor and a corporate trustee or trustees, that may include the Treasurer or any trust company or bank having the powers of a trust company within or without the state.

(a) The trust agreement or the resolution providing for the issuance of the bonds may pledge or assign any funds or assets of the bank legally available for pledge or assignment, all or a portion of the revenues to be received by the bank, directly or indirectly, with respect to the project, or the proceeds of any contract or contracts, loan or loan agreements, bond or bond purchase agreements, and may convey or mortgage the project or projects, or any portion thereof, to be financed out of the proceeds of the bonds. The trust agreement or resolution providing for the issuance of the bonds may contain provisions for protecting and enforcing the rights and remedies of bondholders as may be reasonable and proper and not

in violation of law, including provisions specifically authorized to be included in any resolution or resolutions of the agency or a sponsor authorizing bonds.

(b) Any bank or trust company doing business under the laws of the state that may act as a depository of the proceeds of bonds or of revenues or other moneys shall furnish indemnifying bonds or pledge securities when required by the bank or a sponsor.

(c) The trust agreement may set forth the rights and remedies of the bondholders and of the trustee or trustees, and may restrict the individual right of action by bondholders. In addition, any trust agreement or resolution may contain other provisions that the bank may deem reasonable and proper for the security of the bondholders.

(d) The trust agreement may provide for the pledge or assignment of funds or moneys in the custody of the Controller that are legally available to a sponsor and that are due or payable to the sponsor by reason of any grant, allocation, or appropriation of the state or agencies thereof.

63079. (a) Bonds issued under this chapter do not constitute a debt or liability of the state or of any political subdivision thereof, other than the bank or the sponsor, and do not constitute a pledge of the full faith and credit of the state or any of its political subdivisions, other than the bank or a sponsor, but are payable solely from the funds provided therefor under this chapter. This subdivision shall in no way preclude bond guarantees or enhancements pursuant to this title. All the bonds shall contain on the face thereof a statement to the following effect:

“Neither the full faith and credit nor the taxing power of the State of California is pledged to the payment of the principal of, or interest on, this bond.”

(b) The issuance of bonds under this chapter shall not directly or indirectly or contingently obligate the state or any political subdivision or any sponsor thereof to levy or to pledge any form of taxation therefor or to make any appropriation for their payment. Nothing in this section shall prevent, or be construed to prevent, the bank from pledging the full faith and credit of the infrastructure bank fund to the payment of bonds or issue of bonds authorized pursuant to this chapter.

63080. The validity of any bonds issued under this chapter shall not be affected by any proceedings related to the authorization or implementation of the project financed by the bonds.

63081. (a) The bank may issue bonds for the purpose of refunding any bonds, notes, or other securities of the bank or a sponsor then outstanding, including the payment of any redemption premium thereon and any interest accrued, or to accrue, on their earliest or any subsequent date of redemption, purchase, or maturity of these bonds. The bank, or a sponsor, if it deems advisable, may issue or authorize a sponsor to issue bonds for the additional purpose of paying all or any part of the cost of constructing and acquiring additions, improvements, extensions, or enlargements of any project

or any portion thereof.

(b) The proceeds of any bonds issued for the purpose of refunding outstanding bonds as provided in subdivision (a) may, in the discretion of the bank, be applied to the purchase or retirement at maturity or redemption of those outstanding bonds either on their earliest or any subsequent redemption date or upon the purchase or retirement at the maturity thereof and may, pending this application, be placed in escrow to be applied to the purchase or retirement at maturity or redemption of those outstanding bonds on the date or dates as may be determined by the agency.

(c) Pending this use, the escrowed proceeds may be invested and reinvested by the Treasurer or a trustee in obligations of, or guaranteed by, the United States, or in certificates of deposit or time deposits secured by obligations of, or guaranteed by, the United States, maturing at the time or times appropriate to assure prompt payment, of the principal, interest, and redemption premium, if any, of the outstanding bonds to be refunded. The interest, income, and profits, if any, earned or realized on the investment may also be applied to the payment of the outstanding bonds to be refunded. After the terms of the escrow have been fully satisfied and carried out, any balance of the proceeds and interest, income, and profits, if any, earned or realized on the investments thereof, shall be returned to the agency for use in carrying out the purposes of this division.

(d) The portion of the proceeds of the bonds issued for the additional purpose of paying all or any part of the cost of construction and acquiring additions, improvements, extensions, or enlargements of any project may be invested and reinvested by the Treasurer or a trustee in obligations of, or guaranteed by, the United States, or in certificates of deposit or time deposits secured by obligations of, or guaranteed by, the United States, maturing not later than the time or times when these proceeds will be needed for the purpose of paying all or any part of the cost. The interest, income, and profits, if any, earned or realized on this investment may be applied to the payment of all, or any part of, the cost or may be used by the bank in carrying out the purposes of this division.

63082. Notwithstanding anything herein to the contrary, this act shall be supplemental to, and not in lieu of, the right of any sponsor to issue general obligation bonds or bonds that it is otherwise lawfully authorized to issue or cause to be issued.

63083. Any and all bonds issued by the bank, their transfer and the income therefrom, shall at all times be free from taxation of every kind by the state and by all political subdivisions of the state.

SEC. 3. Section 50054 of the Health and Safety Code is amended to read:

50054. "Agency" means the California Housing and Infrastructure Finance Agency. Any reference in this division or any other provision of law to the California Housing Finance Agency shall be deemed to mean the California Housing and Infrastructure Finance Agency.

SEC. 4. Section 50150 of the Health and Safety Code is amended to read:

50150. This chapter sets forth the general responsibilities and roles of the Business, Transportation, and Housing Agency, the Department of Housing and Community Development, and the California Housing and Infrastructure Finance Agency in carrying out state housing policies and programs. It is declaratory of existing law as to those roles and responsibilities, and shall not be construed as creating additional responsibilities.

SEC. 5. Section 50154 of the Health and Safety Code is amended to read:

50154. The California Housing and Infrastructure Finance Agency, within the Business, Transportation and Housing Agency, is, among its other roles, a primary agency in the implementation of state housing policy. The agency's role in this respect is to make financing opportunities available for the construction, rehabilitation, and purchase of housing for persons and families of low or moderate income by (a) borrowing in the securities markets and relending to housing sponsors, developers, and homeowners and (b) insuring loans made by the agency or by others for the same purposes. In general, the agency pays for its operations out of the excess of its interest revenue from loan repayments over the cost of the money it borrows or, in the case of insurance, by the excess of fees charged for the provision of insurance over the value of claims paid. The agency shall seek to implement the goals, policies, and objectives of the California Statewide Housing Plan and shall annually report on its progress toward compliance with priorities in the California Statewide Housing Plan.

SEC. 6. Section 50176 of the Health and Safety Code is amended to read:

50176. As used in this chapter, the following terms have the following meanings:

(a) "Allocation" means the maximum aggregate principal amount of qualified mortgage bonds that a state or local agency is allocated to issue in any calendar year as provided in Sections 50189, 50190, and 50191.

(b) "Certificate credit rate" means the rate of the credit allowed by this chapter which is specified in the mortgage credit certificate.

(c) "Certified indebtedness amount" means the amount of indebtedness which meets both of the following criteria:

(1) Is incurred by the taxpayer for any of the following purposes:

(A) To acquire the principal residence of the taxpayer.

(B) As a qualified home improvement loan, as defined by Section 103A(l)(6) of Title 26 of the United States Code, on that residence.

(C) As a qualified rehabilitation loan, as defined by Section 103A(l)(7) of Title 26 of the United States Code.

(2) Is specified in the mortgage credit certificate.

(d) "Committee" means the Mortgage Bond and Tax Credit Allocation Committee established pursuant to Section 50185.

(e) "Entitlement allocation" means the allocation of qualified mortgage bonds to a state agency pursuant to Section 50190, and with respect to a local agency, the allocation of qualified mortgage bonds pursuant to subdivision (a) of Section 50189.

(f) "Federal act" means both of the following:

(1) For purposes of qualified mortgage bonds, Section 103A of the Internal Revenue Code of 1954 as enacted by the Mortgage Subsidy Bond Tax Act of 1980 or as hereafter amended, and includes administrative regulations adopted pursuant to that act.

(2) For purposes of mortgage credit certificates, Section 612 of the Tax Reform Act of 1984 (Public Law 98-369).

(g) Except as otherwise provided in Section 50197, "issuer" means a state agency or local agency and includes a redevelopment agency, housing authority or other local entity, authorized by state law to issue bonds, to which a local agency has assigned an allocation under this chapter.

(h) "Local agency" means a city, county, or city and county.

(i) "Median household income" means "median household income," as defined by subdivision (f) of Section 52020.

(j) "Mortgage credit certificate" means any certificate which does all of the following:

(1) Is issued under a qualified mortgage credit certificate program by a state or local agency that has authority to issue qualified mortgage bonds to provide financing on the principal residence of a taxpayer.

(2) Is issued to a taxpayer by a state or local agency in connection with the acquisition, qualified rehabilitation, or qualified home improvement of the taxpayer's principal residence.

(3) Specifies the certificate credit rate and the certified indebtedness amount.

(k) "Mortgage credit certificate program" means any program which is established by the state or a local agency for any calendar year in which the state or a local agency is authorized to issue qualified mortgage bonds and under which the issuing agency elects not to issue an amount of qualified mortgage bonds which it may otherwise issue during the calendar year.

(l) "Qualified mortgage bonds" has the same meaning as that specified in the federal act, as defined by paragraph (1) of subdivision (f).

(m) "State agency" means the California Housing and Infrastructure Finance Agency, the Veterans Affairs Department, the University of California Board of Regents, or any other state agency having the authority to issue qualified mortgage revenue bonds.

(n) "State ceiling" has the same meaning as that specified in the federal act, as defined by paragraph (1) of subdivision (f) and as established in accordance with that federal act by the Mortgage Bond and Tax Credit Allocation Committee as provided in Section 50187.

(o) "Supplementary allocation" means the allocation of qualified mortgage bonds to a local agency pursuant to subdivision (b) of Section 50189.

(p) "Territory" means for any city or city and county, the area within the boundaries of the city or city and county, and for any county, the area within the boundaries of the county not within the boundaries of any city.

SEC. 7. Section 50185 of the Health and Safety Code is amended to read:

50185. The Mortgage Bond Allocation Committee is hereby renamed the Mortgage Bond and Tax Credit Allocation Committee. The committee is composed of the Governor, or in the Governor's absence, the Director of Finance, the Controller, and the Treasurer. The Director of Housing and Community Development, the Executive Director of the California Housing and Infrastructure Finance Agency, and two representatives of local government, one representative of the counties appointed by the Senate Rules Committee, and one representative of the cities appointed by the Speaker of the Assembly shall serve as ex officio, nonvoting members. The Treasurer shall be the chairperson of the committee. The members of the committee shall serve without compensation. A majority of voting members shall be empowered to act for the committee. The committee may employ an executive director to carry out its duties under this chapter. The committee may delegate to the executive director the authority to enter contracts on behalf of the committee.

SEC. 8. Section 50187 of the Health and Safety Code is amended to read:

50187. (a) The committee shall annually determine the state ceiling, on or before February 15 of each calendar year, in accordance with the federal act. Subject to Section 103A(g)(4) of the federal act and any regulations of the United States Department of the Treasury adopted thereunder, the committee shall include within its calculations all types of mortgages on single-family owner-occupied residences within the state, including, to the greatest extent practicable, first liens and subordinate liens, installment sales contracts, other seller financings, and refinancings, but not including mechanic's liens, tax liens, special assessment liens, or similar encumbrances, and shall utilize in its calculations, to the extent practicable and with appropriate adjustments, appropriate statistics compiled by the Federal Housing Administration, Veterans Administration, Farmers Home Administration, Federal Home Loan Bank Board, Comptroller of the Currency, California Housing and Infrastructure Finance Agency, Department of Veterans Affairs, Military Department, Department of Savings and Loan, Department of Corporations, lending institutions, associations of lending institutions, and surveys designed to determine mortgage activity of types (such as owner-financing) not reflected in the above statistics. Any such calculations shall include mortgages on manufactured

housing, as defined in Section 18007.5, financed as real property.

(b) From January 1 to February 15, inclusive, or after February 15, if sufficient data on mortgages executed in the prior year is not available by February 15, the committee shall process applications on the basis of a provisional state ceiling, which shall be an amount which in the committee's judgment will assure that the state ceiling will not be exceeded during that calendar year. The provisional state ceiling shall remain in effect only until sufficient information is available to establish the state ceiling pursuant to subdivision (a).

SEC. 9. Section 50190 of the Health and Safety Code is amended to read:

50190. (a) One-third of the state ceiling shall be reserved for qualified mortgage bonds or mortgage credit certificates of state agencies and shall be allocated as follows: 3 percent shall be allocated for programs under the California National Guard Members Revenue Bond Act of 1978, (Chapter 10 (commencing with Section 480) of Part 1 of Division 2 of the Military and Veterans Code), 6 percent shall be allocated to the Regents of the University of California faculty housing assistance program, 19 percent shall be allocated for programs under the Veterans Farm and Home Purchase Act of 1974 (Article 3.1 (commencing with Section 987.50) of Chapter 6 of Division 4 of the Military and Veterans Code), and 72 percent shall be allocated to the California Housing and Infrastructure Finance Agency, for programs conducted pursuant to Part 3 (commencing with Section 50900) and Part 6 (commencing with Section 52500) of this division.

(b) Each state agency shall submit to the committee by March 1 of each calendar year, a plan for utilizing its allocation. The plan shall specify the approximate date or dates on which the agency will issue bonds or establish a mortgage credit certificate program and the approximate amount of each bond issuance or the amount of mortgage credit certificates to be issued. On June 1 and September 1 each agency shall submit a report to the committee on its progress in utilizing its allocation. After June 1 of each year, the committee may reallocate such portion of a state agency's allocation as the committee finds the agency will be unable to utilize during the calendar year first to another state agency, and if the committee determines there is no other state agency able to use this allocation, then to local agencies in the manner provided in subdivision (b) of Section 50189.

(c) If in any year a state agency conducting a program or programs specified in this section determines it will be unable to utilize the full amount of the authority specified, it shall promptly notify the committee, which shall provide for reallocation to one or more of the state agencies for other programs specified in this section. If there is no other state agency able to use this allocation, then it shall be allocated to local agencies in the manner provided in subdivision (b) of Section 50189.

(d) The committee may reduce the amount of the allocation

specified in subdivision (a) for any state agency which did not use all or a substantial portion of its previous year's allocation, and may reallocate such sums as provided in subdivision (b).

(e) A state agency which establishes a mortgage credit certificate program may charge a fee which is reasonably sufficient to cover the costs of administering the program.

SEC. 10. Section 50193 of the Health and Safety Code is amended to read:

50193. A local agency may assign all or any portion of its allocation of qualified mortgage bonds under this chapter to its redevelopment agency, its housing authority, or a joint powers agency created by an agreement to which it is a party or to the California Housing and Infrastructure Finance Agency pursuant to Chapter 6 (commencing with Section 52060) of Part 5, permitting the California Housing and Infrastructure Finance Agency to issue qualified mortgage bonds on behalf of the local agency or agencies.

A local agency that assigns a portion of its allocation to its redevelopment agency or housing authority shall have the portion assigned and the portion remaining treated as separate allocations for the purposes of expiration and use, including, but not limited to, deposits and extensions pursuant to Section 50191.

An allocation may not be assigned to a joint powers agency for a particular issue for use in the territory of a local agency that is not also assigning an allocation to the joint powers agency for the same issue. However, an allocation may be assigned to a joint powers agency by a local agency if the committee was notified prior to the granting that the allocation would be assigned. The notification shall include the amount that each local agency will receive of entitlement and supplementary allocation.

An allocation may be assigned to a joint powers agency that is created among local agencies that have already been granted an allocation. The joint powers agency shall notify the committee of the formation of the agency and of the members of the joint powers agency, within 15 days of the formation of the agency.

No local agency may assign to a joint powers agency any portion of its entitlement allocation unless such portion will be utilized to provide financing for properties located within the territory of the assigning local agency (including a proportionate share of costs of issuance, underwriters discount, capitalized interest, reserve funds and similar expenses associated with the financing), provided that such assignment shall not be deemed ineffective if, after issuance of the qualified mortgage bonds and for reasons beyond the control of the issuer, the issuer is unable to use any portion of the proceeds of such qualified mortgage bonds to provide financing for properties located within the territory of the assigning local agency, as required by such assigned allocation, and such proceeds are instead used to redeem the qualified mortgage bonds or to provide financing for properties authorized to be financed under the state law under which the bonds were issued and located within the joint powers

agency in which the assigning local agency is a member.

This section shall become operative January 1, 1983.

SEC. 11. Section 50196 of the Health and Safety Code is amended to read:

50196. (a) The committee shall, after consultation with appropriate agencies including, but not limited to the Department of Business and Economic Development, the Department of Housing and Community Development, the Governor's Office of Planning and Research, the California Housing and Infrastructure Finance Agency, the Senate Office of Research, the Assembly Office of Research, and the Department of Finance, designate areas of chronic economic distress in conformity with paragraph (3) of subdivision (k) of Section 103(A) of the Internal Revenue Code. Criteria to be used in designating areas of chronic economic distress include:

(1) The condition of the housing stock, including the age of the housing and the number of abandoned and substandard residential units.

(2) The need of area residents for owner-financing under this section, as indicated by low per capita income, a high percentage of families in poverty, a high number of welfare recipients, and high unemployment rates.

(3) The potential for use of owner-financing under this section to improve housing conditions in the area.

(4) The existence of a housing assistance plan which provides a displacement program and a public improvements and services program.

(b) The committee may evaluate and include other criteria it considers appropriate in determining areas of chronic economic distress including but not limited to:

(1) Low vacancy rates in residential units.

(2) Low volume of mortgage loan activity.

(3) The percentage of households paying more than 35 percent of income for rent.

(4) The existence of adequate transportation facilities between such designated areas and areas of employment concentration.

(c) State agencies and local agencies, including, but not limited to, redevelopment agencies, housing authorities, or other local entities authorized by the laws of this state to issue qualified mortgage bonds, may recommend on or before February 15 of each calendar year, the designation of an area of chronic economic distress to the committee.

The committee shall review all such proposals in making designations in accordance with paragraph (3) of subdivision (k) of Section 103(A) of the Internal Revenue Code or any appropriate regulations. The State Treasurer, or his or her designee, shall be responsible for seeking approval of that designation by the Secretary of the Treasury and the Secretary of Housing and Urban Development of the United States and providing certification of these designations and is hereby designated as the official to make

certifications for purposes of federal law.

SEC. 12. Section 50663 of the Health and Safety Code is amended to read:

50663. The department may contract with a local public entity or nonprofit corporation to provide any portion of uncommitted funds in the Housing Rehabilitation Loan Fund for making deferred-payment rehabilitation loans through such local public entity or nonprofit corporation in aid of a (a) rehabilitation loan program conducted in a concentrated rehabilitation area designated pursuant to Section 51302; (b) residential rehabilitation financing program conducted pursuant to Part 13 (commencing with Section 37910) of Division 24; (c) systematic enforcement program for which the California Housing and Infrastructure Finance Agency has allocated funds for mortgage loans pursuant to Section 51311; (d) code enforcement agency repairing substandard dwellings following the owner's failure to commence work following a final notice or order from the enforcement agency; (e) program conducted by the agency in a mortgage assistance area, provided such area is located in a rural area; or (f) rehabilitation or code enforcement program being undertaken by a local public entity or nonprofit corporation in an area in which federal funds are being used or will be used in conjunction with the program established pursuant to this chapter. Eligibility for such loans shall be governed by the provisions of Sections 50664, 50665, 50666, 50667, 50667.5, or 50668.

SEC. 13. Section 50667 of the Health and Safety Code is amended to read:

50667. In those counties and cities in which the California Housing and Infrastructure Finance Agency has allocated funds for mortgage loans for rehabilitation of housing developments pursuant to Section 51311, a person or family of low or moderate income who is the owner of an owner-occupied housing development may receive a deferred-payment rehabilitation loan for the excess of the cost of meeting rehabilitation standards over the amount of mortgage-loan financing the agency is able to provide without exceeding the owner's ability to afford the monthly payments required. Owners of rental housing developments in such counties and cities may receive deferred payment loans if necessary to avoid increases in monthly debt service which would result in rent increases causing permanent displacement of persons of low income residing in the housing development prior to rehabilitation, and if the owner accepts a mortgage loan from the agency with its limitation of rents and profits. Owners of rental housing developments in such counties and cities may also receive deferred-payment rehabilitation loans in the amount, if any, necessary to avoid such increases in monthly debt service as would make it economically infeasible to accept subsidies available to provide affordable rents to persons of low income if the owner agrees to accept such subsidies.

SEC. 14. Section 50837 of the Health and Safety Code is amended

to read:

50837. (a) The Advisory Task Force on Affordable Housing is hereby created in the Department of Housing and Community Development to provide advisory recommendations on methods by which state housing programs may be restructured in order to benefit the greatest number of Californians by obtaining maximum federal funding under the Cranston-Gonzalez National Affordable Housing Act (Public Law 101-625), and, particularly, under Titles II and IV thereof. As part of the report, the Treasurer shall study, and report to the task force, about how the state bond programs can be counted as part of the nonfederal match and how they might specifically fund the HOME and HOPE programs.

(b) The members of the task force shall include the Director of Housing and Community Development, who shall serve as chairperson of the task force, the Controller, the Treasurer, the Director of the Department of Veterans Affairs, and the Executive Director of the California Housing and Infrastructure Finance Agency, or their respective designees. The task force shall meet as deemed necessary by the chairperson.

(c) Each member of the task force shall serve without compensation, but shall be reimbursed for actual and necessary expenses incurred in the performance of his or her duties by his or her respective public agency.

(d) The task force shall be supported by a reasonable amount of staff time, which shall be provided by the agencies represented on the task force to the extent feasible within their existing resources.

(e) The task force may request data from, and shall utilize the technical expertise of, other state agencies.

(f) On or before April 15, 1992, the task force shall submit its written report to the Legislature.

SEC. 14.5. The heading of Part 3 (commencing with Section 50900) of Division 31 of the Health and Safety Code is amended to read:

PART 3. CALIFORNIA HOUSING AND INFRASTRUCTURE FINANCE AGENCY

SEC. 14.6. Section 50900 of the Health and Safety Code is amended to read:

50900. The California Housing Finance Agency is hereby renamed the California Housing and Infrastructure Finance Agency and continued in existence in the Business, Transportation and Housing Agency. The agency constitutes a public instrumentality and a political subdivision of the state, and the exercise by the agency of the powers conferred by this division shall be deemed and held to be the performance of an essential public function.

SEC. 15. Section 50901 of the Health and Safety Code is amended to read:

50901. The agency shall be administered by a board of directors

consisting of 11 voting members, including a chairperson selected by the Governor from among his or her appointees. The State Treasurer, the Secretary of the Business, Transportation and Housing Agency, and the Secretary of the Trade and Commerce Agency, or their designees, shall be members, in addition to six members appointed by the Governor, one member appointed by the Speaker of the Assembly, and one member appointed by the Senate Rules Committee. The Director of Finance, the Director of the State Office of Planning and Research, the Director of the Department of Housing and Community Development, the Director of the Department of Transportation, the Secretary of Resources, the Secretary of Environmental Protection, and the executive director of the agency shall serve as nonvoting ex officio members of the board.

SEC. 16. Section 50902 of the Health and Safety Code is amended to read:

50902. (a) Appointed members of the board shall be able persons broadly reflective of the economic, cultural, and social diversity of the state, including ethnic minorities and women. However, it is not intended that formulas or specific ratios be applied in order to achieve that diversity.

(b) The Governor shall select, subject to confirmation by the Senate, four of his or her six appointees from among the following categories: (1) an elected official of a city or county engaged in the planning or implementation of a housing, housing-assistance, or housing-rehabilitation program; (2) a person experienced in residential real estate in the savings and loan, mortgage banking, investment banking, or commercial banking industry; (3) a person experienced as a builder of residential housing; (4) a person experienced in organized labor in the residential or commercial construction industry; (5) a person experienced in the management of rental or cooperative housing occupied by lower income households; (6) a person experienced in manufactured housing finance and development; and (7) a person representing the public experienced in the planning or development of infrastructure; (8) a person representing the public who is experienced in matters involving the financing of local public improvement projects; (9) a person with experience in habitat or open space preservation. Not more than one person from each category may serve on the board at any one time, except that two members may be appointed by the Governor to represent the public.

(c) The Governor shall also appoint, subject to confirmation by the Senate, two members who are residents of rental or cooperative housing financed by the agency or who are persons experienced in counseling, assisting, or representing tenants.

(d) At least one of the members appointed by the Governor shall be a resident of a rural or nonmetropolitan area.

(e) The Senate Rules Committee and the Speaker of the Assembly shall each appoint a person representing the public.

The term of members of the board shall be six years. Any person appointed to fill a vacancy on the board shall serve only for the remainder of the unexpired term. Members of the board shall, subject to continued qualification, be eligible for reappointment. If a member of the board ceases to meet the qualifications specified in this section, the membership of that person on the board shall be terminated.

It is the intent of the Legislature that persons who are members of the board on December 31, 1994, serve the remainder of their terms.

SEC. 16.5. Section 50908 of the Health and Safety Code is amended to read:

50908. (a) The Governor shall, subject to confirmation by the Senate, appoint an executive director of the agency, who shall, subject solely to supervision by the board, administer and direct the day-to-day operations of the agency. The term of office of the incumbent executive director shall expire on January 2, 1995, or the operative date of the amendment of this section made at the 1993-94 Regular Session of the Legislature, whichever is later. Any executive director appointed thereafter shall serve at the pleasure of the Governor.

(b) Except as provided in this part, the board shall from time to time determine the total number of authorized employees within the agency and shall determine the salaries of those employees of the agency whose salaries are not paid from moneys appropriated to the agency from the General Fund.

SEC. 17. This act shall not become operative until the Secretary of the Senate and the Chief Clerk of the Assembly receive written notice from the Governor that he or she has determined that sufficient funds are currently available to implement the provisions of the act.

SEC. 18. This act shall not become operative unless Senate Bill 101 of the 1993-94 Regular Session of the Legislature is enacted and becomes effective on or before January 1, 1995.

CHAPTER 95

An act to amend Sections 32912.5, 33704, 36991, 36992, 36994, 38193, and 62712 of, to amend the headings of Article 17 (commencing with Section 38521) and Article 19 (commencing with Section 38541) of Chapter 5 of Part 3 of Division 15 of, to add Chapter 10 (commencing with Section 39901) to Part 3 of Division 15 of, to repeal Sections 32912.7, 32920, 36003, and 38521 of, to repeal Article 3 (commencing with Section 36891), Article 5.5 (commencing with Section 36961), and Article 5.7 (commencing with Section 36971), of Chapter 2 of, and Article 28 (commencing with Section 38741) of Chapter 5 of, Part 3 of Division 15 of, and to repeal and add Sections 32912 and

38541 of, and to repeal and add Article 9 (commencing with Section 35971) of Chapter 2 of Part 2 of, Article 2 (commencing with Section 36861), Article 4 (commencing with Section 36921), and Article 5 (commencing with Section 36951), of Chapter 2 of, Chapter 4 (commencing with Section 37401) of, Article 4 (commencing with Section 38231), Article 6 (commencing with Section 38261), Article 11 (commencing with Section 38361), Article 13 (commencing with Section 38421), Article 25 (commencing with Section 38671), Article 27 (commencing with Section 38731), Article 29 (commencing with Section 38761), Article 31 (commencing with Section 38791), Article 32 (commencing with Section 38801) and Article 35 (commencing with Section 38861) of, Chapter 5 of, Part 3 of Division 15 of, the Food and Agricultural Code, relating to agriculture, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 6, 1994. Filed with
Secretary of State June 6, 1994.]

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

SECTION 1. Section 32912 of the Food and Agricultural Code is repealed.

SEC. 2. Section 32912 is added to the Food and Agricultural Code, to read:

32912. Any milk or milk product, frozen dessert, or cheese that is subject to a standard of identity or standard of composition defined in this division may be specially formulated or processed to lower the content of its milkfat, alter its milkfat composition, or otherwise modify its nutrient profile to the extent that it will not comply with the compositional requirements of its standard of identity or composition. These modified foods shall be labeled in accordance with the applicable provisions of Title 21 of the Code of Federal Regulations.

SEC. 3. Section 32912.5 of the Food and Agricultural Code is amended to read:

32912.5. Any labeling requirements adopted by the secretary pursuant to this section shall be in conformity with the labeling requirements established under the Federal Food, Drug and Cosmetic Act (21 U.S.C. Sec. 301 et seq.) and Title 21 of the Code of Federal Regulations.

Sample copies of all labels to be used in connection with advertising and consumer sales of milk, milk products, frozen desserts, cheeses, and products resembling milk products shall be submitted to the secretary for approval prior to the use of those labels.

SEC. 4. Section 32912.7 of the Food and Agricultural Code is repealed.

SEC. 5. Section 32920 of the Food and Agricultural Code is repealed.

SEC. 6. Section 33704 of the Food and Agricultural Code is amended to read:

33704. (a) Sections 33701, 33731, 33732, 33733, 33734, 33767, 33768, 33770, 33771, 33776, and 34593 do not apply to the manufacture of ice cream that is manufactured from ice cream mix, to ice milk that is manufactured from ice milk mix, to frozen yogurt that is manufactured from frozen yogurt mix, or to nondairy frozen dessert that is manufactured from nondairy frozen dessert mix, if those products are manufactured in a freezing device from which those products are served directly in a semifrozen state, without packaging of any type, for consumption on the premises in or from rooms where food is served to the public.

Except for nondairy frozen dessert mix, all mixes so used shall be secured from a licensed manufacturer of milk products.

Ice cream mix, ice milk, frozen yogurt mix, frozen dairy dessert mix, and nondairy frozen dessert mix shall be manufactured into a semifrozen state without adulteration and freezing device salvage shall not be reused as a mix.

(b) A limited packaging permit may be issued by the secretary to a semifrozen (soft-serve) milk products plant for on-premises manufacture and packaging of hard frozen dairy products or hard frozen dairy product novelties. The permit may only be issued after the suitability of the facility for manufacture and packaging has been determined by the secretary. An annual onsite evaluation of compliance with the specific permit conditions shall be completed by the secretary prior to renewal of the limited packaging permit. A semifrozen milk products plant issued a limited packaging permit shall meet all of the following standards:

(1) The manufacturing and packaging of hard frozen dairy product novelties shall be done when the establishment is closed to the public.

(2) The hard frozen products shall only be sold to purchasers for consumption. No hard frozen product manufactured pursuant to the limited packaging permit shall be sold for resale.

(3) All frozen dairy product mixes used for the manufacture and packaging of hard frozen dairy product novelties shall be dispensed from single service containers sealed at the licensed milk products plant where processed and pasteurized. Reconstitution of dry mix or condensed mix is prohibited at a semifrozen milk products plant issued a limited packaging permit.

(4) Adequate facilities, consistent with recognized good manufacturing practices for the production and packaging of hard frozen dairy products, as determined by the secretary, shall be provided as a condition of the limited packaging permit. The facilities shall include, but are not limited to, adequate utensil and novelty mold washing, sterilization and storage, and sufficient sanitary work area, including handwashing facilities, dedicated to the manufacture and packaging of hard frozen dairy product novelties. Sanitation guidelines consistent with good manufacturing and

handling practices for retail food establishments manufacturing and packaging hard frozen dairy products in conformance with Part 110 (commencing with Section 110.3) of Title 21 of the Code of Federal Regulations shall be utilized by the secretary as a condition for issuance and renewal of the limited packaging permit.

(5) Each individually packaged hard frozen novelty shall be labeled with the name of the product and the name and address of the manufacturer.

(c) Nondairy frozen dessert mix shall be obtained from manufacturers licensed pursuant to Section 38931 or under Section 38984. Any dry or condensed mix to be reconstituted into freezable form shall be reconstituted on the premises in containers or equipment that meet the requirements of Sections 33763, 33764, 33765, and 33766. Any water used for reconstitution shall be treated in a manner to ensure a quality equal to potable pasteurized water. Upon reconstitution, the product shall be poured directly into the freezing unit or refrigerated at a temperature not to exceed 45 degrees Fahrenheit, and so maintained until frozen, or both.

(d) Where any retail establishment manufactures two or more of the products provided for under this section, each of those products shall be processed in a separate freezing device, and that freezing device shall be clearly identified as to the product being manufactured therein.

(e) The secretary may, by agreement with any approved milk inspection service, authorize the service to inspect and enforce requirements of this code applicable to the establishments covered by this section. Any agreement shall provide that the approved inspection service shall collect the applicable license fee for those establishments as provided in Sections 35221 and 38933. The fees so collected shall be retained by the approved service to cover its cost of enforcement, but 15 percent of the fees collected shall be remitted to the secretary to cover the cost of administration.

SEC. 7. Article 9 (commencing with Section 35971) of Chapter 2 of Part 2 of Division 15 of the Food and Agricultural Code is repealed.

SEC. 8. Article 9 (commencing with Section 35971) is added to Chapter 2 of Part 2 of Division 15 of the Food and Agricultural Code, to read:

Article 9. Half-and-Half

35971. Half-and-half is a food that complies with Section 131.180 of Title 21 of the Code of Federal Regulations.

SEC. 9. Section 36003 of the Food and Agricultural Code is repealed.

SEC. 10. Article 2 (commencing with Section 36861) of Chapter 2 of Part 3 of Division 15 of the Food and Agricultural Code is repealed.

SEC. 11. Article 2 (commencing with Section 36861) is added to Chapter 2 of Part 3 of Division 15 of the Food and Agricultural Code,

to read:

Article 2. Ice Cream

36861. Ice cream is a food that complies with Section 135.110 of Title 21 of the Code of Federal Regulations.

SEC. 12. Article 3 (commencing with Section 36891) of Chapter 2 of Part 3 of Division 15 of the Food and Agricultural Code is repealed.

SEC. 13. Article 4 (commencing with Section 36921) of Chapter 2 of Part 3 of Division 15 of the Food and Agricultural Code is repealed.

SEC. 14. Article 4 (commencing with Section 36921) is added to Chapter 2 of Part 3 of Division 15 of the Food and Agricultural Code, to read:

Article 4. Ice Milk

36921. Ice milk is a food that complies with Section 135.120 of Title 21 of the Code of Federal Regulations.

SEC. 15. Article 5 (commencing with Section 36951) of Chapter 2 of Part 3 of Division 15 of the Food and Agricultural Code is repealed.

SEC. 16. Article 5 (commencing with Section 36951) is added to Chapter 2 of Part 3 of Division 15 of the Food and Agricultural Code, to read:

Article 5. Sherbet

36951. Sherbet is a food that complies with Section 135.140 of Title 21 of the Code of Federal Regulations.

36952. Yogurt sherbet is a product that meets all the requirements and standards prescribed for sherbet, except as follows:

(a) It shall have an acidity of not less than six-tenths of 1 percent calculated as lactic acid.

(b) Bacteria standards which are specified for sherbet do not apply to yogurt sherbet.

(c) It shall have a yogurt content of not less than 40 percent.

SEC. 17. Article 5.5 (commencing with Section 36961) of Chapter 2 of Part 3 of Division 15 of the Food and Agricultural Code is repealed.

SEC. 18. Article 5.7 (commencing with Section 36971) of Chapter 2 of Part 3 of Division 15 of the Food and Agricultural Code is repealed.

SEC. 19. Section 36991 of the Food and Agricultural Code is amended to read:

36991. Frozen yogurt is a frozen dairy product. It shall be made from milk, with or without added milk solids, flavoring, or seasoning,

which has been pasteurized and afterwards fermented by one or more strains of *Lactobacillus bulgaricus*, including yogurt strains, *Streptococcus thermophilus* and *Lactobacillus acidophilus*. It shall not be pasteurized following fermentation. Fruits may be added before or after the mix is pasteurized and cultured. That product may contain safe and suitable stabilizers or emulsifiers as specified in Title 21 of the Code of Federal Regulations. It shall have a titratable acidity of not less than 0.5 percent expressed as lactic acid, except when flavoring is added that contains no fruit or fruit flavoring the titratable acidity may be reduced to not less than 0.30 percent expressed as lactic acid, contain not more than 10 coliform bacteria per gram, contain not more than 10 colonies per gram each of molds, yeasts, and other fungi, and be free of any other objectionable bacteria that may impair the quality of the product. The product shall weigh not less than 4.0 pounds per gallon.

SEC. 20. Section 36992 of the Food and Agricultural Code is amended to read:

36992. Frozen yogurt shall contain not less than 3.5 percent milkfat. The milkfat content of frozen fruit yogurt may be reduced to not less than 2.8 percent milkfat.

SEC. 21. Section 36994 of the Food and Agricultural Code is amended to read:

36994. Frozen yogurt mix is an unfrozen product that is used in the manufacture of frozen yogurt. It shall comply with all the requirements for frozen yogurt. The use of fruits and flavoring in frozen yogurt mix, as used pursuant to Section 33704, shall be subject to the approval of the secretary.

SEC. 22. Chapter 4 (commencing with Section 37401) of Part 3 of Division 15 of the Food and Agricultural Code is repealed.

SEC. 23. Chapter 4 (commencing with Section 37401) is added to Part 3 of Division 15 of the Food and Agricultural Code, to read:

CHAPTER 4. CHEESE

Article 1. Varieties of Cheese

37401. Varieties of cheese are foods that conform to the applicable standards of identity provided for in Part 133 of Title 21 of the Code of Federal Regulations.

37402. Cheddar cheese is a food that complies with Section 133.113 of Title 21 of the Code of Federal Regulations.

37403. Washed-curd cheese is a food that complies with Section 133.136 of Title 21 of the Code of Federal Regulations.

37404. Colby cheese is a food that complies with Section 133.118 of Title 21 of the Code of Federal Regulations.

37405. Monterey cheese or monterey jack cheese is a food that complies with Section 133.153 of Title 21 of the Code of Federal Regulations.

37406. High-moisture jack cheese is a food that complies with

Section 133.154 of Title 21 of the Code of Federal Regulations.

37407. Cream cheese is a food that complies with Section 133.133 of Title 21 of the Code of Federal Regulations.

37408. Cream cheese with other foods is a food that complies with Section 133.134 of Title 21 of the Code of Federal Regulations.

37409. Pasteurized neufchatel cheese spread with other foods is a food that complies with Section 133.178 of Title 21 of the Code of Federal Regulations.

37410. Pasteurized process cheese is a food that complies with Section 133.169 of Title 21 of the Code of Federal Regulations.

37411. Pasteurized process cheese food is a food that complies with Section 133.173 of Title 21 of the Code of Federal Regulations.

37412. Pasteurized cheese spread is a food that complies with Section 133.175 of Title 21 of the Code of Federal Regulations.

37413. Cold-pack cheese is a food that complies with Section 133.123 of Title 21 of the Code of Federal Regulations.

37414. Cold-pack cheese food is a food that complies with Section 133.124 of Title 21 of the Code of Federal Regulations.

Article 2. Cottage Cheese

37501. Dry curd cottage cheese is a food that complies with Section 133.129 of Title 21 of the Code of Federal Regulations.

37502. Cottage cheese is a food that complies with Section 133.128 of Title 21 of the Code of Federal Regulations. Lowfat cottage cheese is a food that complies with Section 133.131 of Title 21 of the Code of Federal Regulations.

37503. For the purposes of this article, dry curd cottage cheese, cottage cheese, nonfat cottage cheese, or lowfat cottage cheese made from goat's milk are special varieties of cheese.

37504. If dry curd cottage cheese, cottage cheese, or lowfat cottage cheese is made from certified raw milk, it shall be labeled as being made from certified raw milk.

37505. The packaging of dry curd cottage cheese, cottage cheese, and lowfat cottage cheese, and the addition of milk products to dry curd cottage cheese to make cottage cheese or lowfat cottage cheese shall take place only in a licensed milk products plant.

Article 3. Labeling

37601. Any cheese sold in this state shall be labeled in compliance with Title 21 of the Code of Federal Regulations.

SEC. 24. Section 38193 of the Food and Agricultural Code is amended to read:

38193. The following phrase shall accompany the name "lowfat milk" on the principal display panel or panels of the label in letters not less than one-half of the height of the letters used in the name: "1 percent milkfat."

SEC. 25. Article 4 (commencing with Section 38231) of Chapter

5 of Part 3 of Division 15 of the Food and Agricultural Code is repealed.

SEC. 26. Article 4 (commencing with Section 38231) is added to Chapter 5 of Part 3 of Division 15 of the Food and Agricultural Code, to read:

Article 4. Evaporated Milk

38231. Evaporated milk is a food that complies with Section 131.130 of Title 21 of the Code of Federal Regulations.

SEC. 27. Article 6 (commencing with Section 38261) of Chapter 5 of Part 3 of Division 15 of the Food and Agricultural Code is repealed.

SEC. 28. Article 6 (commencing with Section 38261) is added to Chapter 5 of Part 3 of Division 15 of the Food and Agricultural Code, to read:

Article 6. Evaporated Skimmed Milk

38261. Evaporated skimmed milk is a food that complies with Section 131.132 of Title 21 of the Code of Federal Regulations.

SEC. 29. Article 11 (commencing with Section 38361) of Chapter 5 of Part 3 of Division 15 of the Food and Agricultural Code is repealed.

SEC. 30. Article 11 (commencing with Section 38361) is added to Chapter 5 of Part 3 of Division 15 of the Food and Agricultural Code, to read:

Article 11. Dry Whole Milk

38361. Dry whole milk is a food that complies with Section 131.147 of Title 21 of the Code of Federal Regulations.

SEC. 31. Article 13 (commencing with Section 38421) of Chapter 5 of Part 3 of Division 15 of the Food and Agricultural Code is repealed.

SEC. 32. Article 13 (commencing with Section 38421) is added to Chapter 5 of Part 3 of Division 15 of the Food and Agricultural Code, to read:

Article 13. Nonfat Dry Milk

38421. Nonfat dry milk is a food that complies with Section 131.125 of Title 21 of the Code of Federal Regulations.

SEC. 33. The heading of Article 17 (commencing with Section 38521) of Chapter 5 of Part 3 of Division 15 of the Food and Agricultural Code is amended to read:

Article 17. Milk, Lowfat Milk, and Nonfat Milk with
Lactobacillus Acidophilus Culture Added

SEC. 34. Section 38521 of the Food and Agricultural Code is repealed.

SEC. 34.5. The heading of Article 19 (commencing with Section 38541) of Chapter 5 of Part 3 of Division 15 of the Food and Agricultural Code is amended to read:

Article 19. Cultured Milks

SEC. 34.7. Section 38541 of the Food and Agricultural Code is repealed.

SEC. 34.8. Section 38541 is added to the Food and Agricultural Code, to read:

38541. Cultured milks are foods that comply with Section 131.112, Section 131.138, or Section 131.146 of Title 21 of the Code of Federal Regulations.

SEC. 34.9. Article 25 (commencing with Section 38671) of Chapter 5 of Part 3 of Division 15 of the Food and Agricultural Code is repealed.

SEC. 35. Article 25 (commencing with Section 38671) is added to Chapter 5 of Part 3 of Division 15 of the Food and Agricultural Code, to read:

Article 25. Sour Cream

38671. Sour cream is a food that complies with Section 131.160 of Title 21 of the Code of Federal Regulations.

SEC. 36. Article 27 (commencing with Section 38731) of Chapter 5 of Part 3 of Division 15 of the Food and Agricultural Code is repealed.

SEC. 37. Article 27 (commencing with Section 38731) is added to Chapter 5 of Part 3 of Division 15 of the Food and Agricultural Code, to read:

Article 27. Yogurt

38731. Yogurt is a food that complies with Section 131.200 of Title 21 of the Code of Federal Regulations. Lowfat yogurt is a food that complies with Section 131.203 of Title 21 of the Code of Federal Regulations. Nonfat yogurt is a food that complies with Section 131.206 of Title 21 of the Code of Federal Regulations.

38732. Whipped topping made from nonfat yogurt shall comply with the following standards:

(a) The product shall contain not less than 25 percent nonfat yogurt by weight.

(b) The product shall contain edible oil or fat other than milkfat and not less than 4 percent or more than 10 percent edible oil or fat

from all sources.

(c) The product shall be sold in the frozen state and thawed prior to use. It shall weigh not less than two pounds per gallon.

(d) The product may contain nutritive carbohydrate sweeteners and may be characterized by the addition of flavoring ingredients.

(e) The product may contain harmless edible stabilizers and emulsifiers as specified in Title 21 of the Code of Federal Regulations.

(f) The product may contain fruit juices, harmless flavoring, and harmless coloring.

(g) The product shall be pasteurized.

SEC. 38. Article 28 (commencing with Section 38741) of Chapter 5 of Part 3 of Division 15 of the Food and Agricultural Code is repealed.

SEC. 39. Article 29 (commencing with Section 38761) of Chapter 5 of Part 3 of Division 15 of the Food and Agricultural Code is repealed.

SEC. 40. Article 29 (commencing with Section 38761) is added to Chapter 5 of Part 3 of Division 15 of the Food and Agricultural Code, to read:

Article 29. Light Whipping Cream

38761. Whipped cream is a food that complies with Section 131.157 of Title 21 of the Code of Federal Regulations.

SEC. 41. Article 31 (commencing with Section 38791) of Chapter 5 of Part 3 of Division 15 of the Food and Agricultural Code is repealed.

SEC. 42. Article 31 (commencing with Section 38791) is added to Chapter 5 of Part 3 of Division 15 of the Food and Agricultural Code, to read:

Article 31. Eggnog

38791. Eggnog is a food that complies with Section 131.170 of Title 21 of the Code of Federal Regulations.

SEC. 43. Article 32 (commencing with Section 38801) of Chapter 5 of Part 3 of Division 15 of the Food and Agricultural Code is repealed.

SEC. 44. Article 32 (commencing with Section 38801) is added to Chapter 5 of Part 3 of Division 15 of the Food and Agricultural Code, to read:

Article 32. Sour Half-and-Half

38801. Sour half-and-half is a food that complies with Section 131.185 of Title 21 of the Code of Federal Regulations.

SEC. 45. Article 35 (commencing with Section 38861) of Chapter 5 of Part 3 of Division 15 of the Food and Agricultural Code is repealed.

SEC. 46. Article 35 (commencing with Section 38861) is added to Chapter 5 of Part 3 of Division 15 of the Food and Agricultural Code, to read:

Article 35. Milk Products Made by Acidified Processes

38861. Acidified milk products are foods that comply with Section 131.111, 131.136, 131.144, 131.162, or 131.187 Code of Federal Regulations.

SEC. 47. Chapter 10 (commencing with Section 39901) is added to Part 3 of Division 15 of the Food and Agricultural Code, to read:

CHAPTER 10. DAIRY BEVERAGES

39901. Dairy beverages are milk and dairy food beverages resembling milk or milk products. However, dairy beverages do not conform to the compositional standards for milk or milk products as established in this code or Title 21 of the Code of Federal Regulations because they contain safe and suitable ingredients or combinations of ingredients not specified in those standards. Dairy beverages are products intended for consumption as a beverage. Milk or the components or milk shall comprise at least 15 percent of the product on a dry matter basis or at least 2 percent on a total weight basis.

For purposes of establishing compliance with the minimum dairy ingredient criteria, dairy ingredients shall include all products, components, and derivatives of milk, including, but not limited to whey and whey products and caseinates specified in subdivision (c) of Section 135.110 of Title 21 of the Code of Federal Regulations, but excluding added lactose.

39902. The product may not contain any added fats or oils other than milkfat, except those fats present in incidental amounts that are naturally occurring in, or contributed by, flavorings or characterizing food ingredients. When the product contains water as an ingredient, water shall be declared in the ingredient list.

39903. The product shall be pasteurized, ultra-pasteurized, or UHT processed and packaged, pursuant to the specifications and procedures for the applicable process contained in the Code of Federal Regulations. The labeling shall comply with any applicable labeling requirements contained in the Code of Federal Regulations applicable to the heat treatment used on the product.

39904. The product may be cultured with safe and suitable bacterial cultures following pasteurization, ultra-pasteurization, or UHT processing.

39905. This article does not apply to any product regulated under Chapter 6 (commencing with Section 38901) as a product resembling a milk product or any dairy product for which a standard is established in this division.

39906. The label of all products subject to this standard shall be submitted to the secretary for approval prior to sale. In addition to

the labeling requirements specified in this article, the secretary may, by regulation, require or prohibit any other information, format, or design for the label that the secretary determines to be in the public interest.

39907. (a) The term “dairy beverage” or “a dairy beverage” may appear on the principal display panel of the product only when milk and the components or derivatives of milk comprise at least 30 percent of the product on a dry matter basis, or at least 4 percent on a total weight basis.

(b) When the term “dairy beverage” or “a dairy beverage” appears on the principal display panel, it shall be in letters not exceeding the height of the largest letters on the principal display panel.

(c) Notwithstanding subdivision (a), when the term “dairy beverage” or “a dairy beverage” appears on the information panel of the label of the product, it shall be clearly and conspicuously labeled in bold type and of a type size equal to that used in the ingredient list.

39908. The product shall be labeled with a common or usual name of the beverage or a fanciful name that does not mislead, deceive, or confuse the consumer. Use of the name “dairy beverage” or “a dairy beverage” is restricted to products that conform to the requirements of Section 39907. The name shall not cause the consumer to believe that the product is a milk product for which a standard is established in this division.

39909. Each container that contains the product shall be labeled with the name and address of the manufacturer or distributor, and in the event the address is not the address of the manufacturer or final packaging plant, the label shall include the national uniform federal information processing standards state code number to be immediately followed by a hyphen and the plant number assigned by the appropriate state regulatory agency.

39910. If the product is labeled “Grade A,” all dairy ingredients shall be derived from market milk.

39911. The label of the product may contain references to, and comparisons with, a milk product if those statements, symbols, marks, designs, or representations are reasonable, relevant, truthful, complete, and not deceptive or misleading. The secretary may require satisfactory proof of the compliance of any label with this section.

39912. No product subject to this standard shall be advertised, displayed for sale, or sold in any manner or under any circumstances or conditions that are likely to mislead, deceive, or confuse consumers into believing the products are products defined in this division. The secretary may require satisfactory proof of the compliance of a dairy beverage with this section.

SEC. 48. Section 62712 of the Food and Agricultural Code is amended to read:

62712. (a) The secretary may require handlers, including

cooperative associations acting as handlers, to make reports at any intervals and in any detail that he or she finds necessary for the operation of the pool. The secretary may impose and collect a civil penalty of one hundred dollars (\$100) from any handler or cooperative association acting as a handler that does not file a report on the date specified by the secretary pursuant to this subdivision. Any funds collected pursuant to this subdivision shall be deposited in the Department of Food and Agriculture Fund and, upon appropriation by the Legislature, the funds may be expended for the purposes of this chapter.

(b) For the purposes of enforcing this chapter, the secretary, through his or her duly authorized representatives and agents, shall have access to the records of every producer and handler. The secretary shall have at all times, free and unimpeded access to any building, yard, warehouse, store, manufacturing facility, or transportation facility in which any market milk or market milk product is produced, bought, sold, stored, bottled, handled, or manufactured.

Any books, papers, records, documents, or reports made to, acquired by, prepared by, or maintained by the secretary pursuant to this chapter, which would disclose any information about finances, financial status, or worth, composition, market share, or business operations of any producer or handler, excluding information that solely reflects transfers of production base and pool quota among producers, is confidential and shall not be disclosed to any person other than the person from whom the information was received, except pursuant to the final order of a court with jurisdiction, or as necessary for the proper determination of any proceeding before the secretary.

(c) In conjunction with the pools authorized by this chapter, the secretary may require handlers to make payments into a settlement fund for fluid milk received and the secretary may provide for the disbursement of moneys from the settlement fund in the course of administering the pools. Handlers who have a financial obligation to the pool resulting from the operation of the pooling plan shall pay the obligations to the pool manager each month as requested. All of these moneys shall be deposited in a bank or banks approved by the secretary, and shall be paid out by the pool manager to handlers who have pool credits resulting from the operation of the pooling plan. All financial operations of each pool shall be audited by the department at least once annually. The secretary may require handlers to make such deductions from amounts due to producers as he or she finds are necessary to establish a reserve fund to insure prompt payment to producers.

(d) The secretary may employ a pool manager to operate each pool and may permit the pool manager to employ such other necessary personnel and incur such expenses incidental to the operation of the pool as the secretary finds are necessary. The pool manager shall effectuate the purposes of Section 62711 by

designating the percentage of each price class (i.e., classes 1, 2, 3, 4a, and 4b) to be paid within each pool settlement classification (i.e., quota pool, production pool, and overproduction pool), and in so doing he or she shall allocate the highest usage available, first to the quota pool, next to the production pool, and last to the overproduction pool.

(e) All pool quotas initially determined pursuant to Section 62707 shall be recognized and shall not in any way be diminished.

SEC. 49. The Department of Food and Agriculture shall repeal all regulations that are inconsistent with this act, including Sections 415, 415.1, 415.2 to 428.3, inclusive, Article 5 (commencing with Section 429), and Article 8 (commencing with Section 455) of Chapter 1 of Division 2 of Title 3 of the California Code of Regulations.

SEC. 50. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs which may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, changes the definition of a crime or infraction, changes the penalty for a crime or infraction, or eliminates a crime or infraction. Notwithstanding Section 17580 of the Government Code, unless otherwise specified in this act, the provisions of this act shall become operative on the same date that the act takes effect pursuant to the California Constitution.

SEC. 51. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to bring the provisions of the Food and Agricultural Code governing the standards and labeling of dairy products into compliance with federal law on the date the federal Nutrition Labeling and Education Act of 1990 (P.L. 101-535; 21 U.S.C. Secs. 321, 337, 343, 345, and 371) takes effect, it is necessary that this act take effect immediately.

CHAPTER 96

An act to amend Section 50662.7 of the Health and Safety Code, relating to disaster relief.

[Approved by Governor June 6, 1994. Filed with
Secretary of State June 6, 1994.]

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

SECTION 1. Section 50662.7 of the Health and Safety Code is amended to read:

50662.7. For the purpose of providing disaster relief to those

owners of owner-occupied dwellings that were damaged or destroyed as a result of a natural disaster defined by Section 8680.3 of the Government Code, resulting in a state of emergency proclaimed by the Governor pursuant to Section 8625 of the Government Code, financial assistance may be provided to disaster victims as prescribed in this chapter under the following special conditions, which shall prevail over conflicting provisions of this chapter and administrative regulations:

(a) (1) The loans shall be provided in any city, county, or city and county proclaimed by the Governor to be in a state of disaster: (A) to persons who do not qualify for loan assistance from an agency of the United States for repair of the damage caused by a natural disaster, (B) to the extent that federally provided or assisted financing may be insufficient to accomplish the necessary repair, and (C) to the extent required to enable the recipient to obtain and afford loan assistance from an agency of the United States to finance the necessary repair.

(2) The loans shall be made only to households that are victims of a natural disaster and only to the extent that other federal and state resources, private insurance proceeds, or private institutional lending sources, are not available or do not provide the assistance or coverage needed to rehabilitate or reconstruct their homes.

(3) This subdivision shall not be construed to prevent the processing of a loan application once a person or household has received loan approval from a federal, state, or private institutional lending source, nor shall this subdivision be construed to prevent the funding of short-term loans until other federal, state, or private loan proceeds become available.

(4) In allocating grants and loans, the department shall in no event provide a loan to a family with an annual income in excess of 150 percent of statewide median income, adjusted for family size. This paragraph shall apply to any disaster that occurs on or after January 18, 1994.

(b) (1) The loans shall be for the purpose of repairing, including reconstructing, dwellings that are owner-occupied or would be owner-occupied but for the damage caused by the natural disaster and for rental dwelling units of one to four units. Loan funds shall be used to fund work necessary to repair damaged dwellings and to correct serious, life-threatening violations of the state or local building code or housing standards that are required to be corrected prior to occupancy, including ensuring compliance with applicable seismic safety standards and related property improvements or to finance the reconstruction of dwellings destroyed as a result of the natural disaster up to a maximum of fifty thousand dollars (\$50,000) per unit. The department shall limit the square footage of units repaired or reconstructed using funds provided pursuant to this section to the predisaster size of the unit.

(2) In the case of manufactured housing or mobilehomes, loan funds shall be used to bring the manufactured home or mobilehome

into compliance with the standards set forth in Chapter 4 (commencing with Section 18025) of Part 2 of Division 13.

(3) For the purposes of this section:

(A) "Owner-occupied dwellings" include single-family units, attached owner-occupied units, condominiums, townhouses, cooperatives, and manufactured homes, including mobilehomes.

(B) "Rental dwelling of one to four units" includes single-family units, condominiums, townhouses, cooperatives, duplexes, and manufactured homes, including mobilehomes.

(c) The loan, together with any existing indebtedness encumbering the secured property, shall not exceed the after-repair value of the property, except that the department may waive this limitation in individual cases to ensure, when necessary, correction of serious, life-threatening violations of the state or local building code or housing standards, seismic safety standards, and general property improvements relating to these standards pursuant to subdivision (b).

(d) (1) The outstanding balance of a loan provided under this section, including principal and accrued interest thereon, shall be due and payable, after 30 years or when either of the following occurs: (A) the borrower transfers ownership of the rehabilitated property, or (B) fails to occupy the rehabilitated property as his or her principal place of residence, whichever comes first. For rental dwellings, the term of the loan shall be 20 years.

(2) After the initial recordation of the deed of trust securing the department's loan, the department shall not subordinate its deed of trust to additional or other financing except in cases of extreme hardship necessary to protect the health or safety of the occupants or to the extent that the total principal of loans senior to the department's loan is unchanged or decreased and the department's security interest is not jeopardized, as determined by the department.

(e) The department may make loans directly to borrowers, or contract for the administration under this section of loans with one or more entities that it determines to have the necessary experience to successfully administer the loan program, including, but not limited to, local public agencies and private organizations. The department may authorize, under that contract, the payment of expenses incurred by the entities in administering the loan program and may prescribe the conditions pursuant to which the entities shall administer the loans.

(f) Sections 50663 and 50668 do not apply to loans made pursuant to this section.

(g) The department may set aside or use funds that are made available for the purposes of this section for the purpose of curing or averting an owner's default on the terms of any loan or other obligation where that default would jeopardize the department's security in the owner-occupied housing assisted pursuant to this section. The payment or advance of funds by the department

pursuant to this subdivision shall be exclusively within the department's discretion, and no person shall be deemed to have any entitlement to the payment or advance of those funds. The amount of any funds expended by the department pursuant to this subdivision shall be added to the loan amount secured by the deed of trust and shall be payable to the department upon demand.

(h) Any rule, policy, or standard of general application employed by the Department of Housing and Community Development in implementing this section shall not be subject to the requirements of Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code.

(i) Fund allocations made pursuant to this section shall not be subject to review or approval by the Loan Committee of the Department of Housing and Community Development operating pursuant to Subchapter 1 (commencing with Section 6900) of Chapter 6.5 of Title 25 of the California Code of Regulations.

(j) (1) In order to be eligible for one or more loans pursuant to this section, the borrower shall agree to all of the following conditions:

(A) All buildings shall be connected to their foundation systems as necessary to meet the seismic requirements of the 1973 Edition of the Uniform Building Code of the International Conference of Building Officials in a manner approved by the department, which may include seismic strengthening of foundation cripple walls and affixing or bolting sill plates to the foundation.

(B) All water heaters shall be braced, anchored, or strapped to resist falling or horizontal displacement due to earthquake motion.

(C) Hazard insurance shall be obtained and maintained as required by the department.

(2) As a condition of receipt of assistance under this section, owners of rental dwellings shall agree, in writing, to all of the restrictions set forth in this subdivision.

(3) The loan shall include an amount sufficient to meet the requirements of subparagraphs (A) and (B) of paragraph (1).

(k) Initial rents for rental housing rehabilitated under this section shall not exceed the rent charged immediately prior to the natural disaster. The department may allow for adjustments to the predisaster rents due to cost-of-living increases or increases necessary for debt service.

(l) The department shall adopt regulations establishing terms and conditions upon which repair loans may be made. These regulations shall be made available to the public by the department. The department may set interest rates for individual loans for each disaster at a rate that shall not exceed the rate for veterans' home loans established pursuant to Section 987.87 of the Military and Veterans Code on the date the Governor declares a state of emergency for that disaster, plus up to one-half percent for administrative costs not included in the interest rate. The Department of Housing and Community Development shall prepare

an annual audit of administrative costs for the Department of Finance. All loans for each disaster shall bear the same interest rate. The department may also require periodic payments of interest, or principal and interest, or provide incentives for earlier repayment of principal and interest on owner-occupied dwellings. Incentives may include reduction of interest rates to a minimum of 3 percent for repayment that occurs within three years of the closing of the loan.

(m) Prior to full loan approval, the department may make loans not exceeding five thousand dollars (\$5,000) per loan to pay for the costs of predevelopment activity which must be undertaken prior to making eligible repairs if, in the opinion of the department, the borrower is unable to pay for these costs in advance of full loan approval. These loans shall bear interest at the rate of 6 percent simple interest per annum and shall be evidenced by a promissory note secured by a deed of trust. At the time of full loan approval, the predevelopment loan shall be canceled, and the principal amount of the loan and all accrued interest shall be included in the amount of the full loan and shall be subject to the same interest rate and terms and conditions as the full loan. For purposes of computing the maximum loan amount, the amount of any predevelopment loan shall be included.

CHAPTER 97

An act to amend Sections 8685 and 8686 of, and to add Section 8680.25 to, the Government Code, relating to natural disaster assistance, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 6, 1994. Filed with
Secretary of State June 6, 1994.]

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

SECTION 1. Section 8680.25 is added to the Government Code, to read:

8680.25. For the purpose of allocating funds pursuant to subdivision (b) of Section 8879.3, "public infrastructure" includes a private nonprofit facility operated by a private nonprofit organization, as defined in paragraph (9) of Section 5122 of Title 42 of the United States Code and applicable federal regulations, on a nondiscriminatory basis.

This section applies only with respect to disaster assistance associated with the January 17, 1994, Northridge earthquake. This section shall not be construed to apply to any private nonprofit organization to the extent that it is prohibited from receiving public funds pursuant to this chapter by Section 8 of Article IX, or Section 3 or 5 of Article XVI, of the California Constitution, or the

Establishment Clauses of the First Amendment of the United States Constitution and Section 4 of Article I of the California Constitution.

This section shall only become operative upon the approval of Chapter 15 of the Statutes of 1994, by a majority of the voters voting on the measure, as Proposition 1A, at the June 7, 1994, statewide primary election.

SEC. 2. Section 8685 of the Government Code is amended to read:

8685. From any money appropriated for that purpose, and subject to the conditions specified in this article, the Director of Emergency Services shall allocate funds to meet the cost of any one or more projects as defined in Section 8680.4. Applications by school districts shall be submitted to the Superintendent of Public Instruction for review and approval, in accordance with instructions or regulations developed by the Office of Emergency Services, prior to the allocation of funds by the Director of Emergency Services.

Moneys appropriated for the purposes of this chapter may be used to provide financial assistance for the following local agency and state costs:

(a) Local agency personnel costs eligible for funding or reimbursement under Part 206 of Title 44 of the Code of Federal Regulations, equipment costs, and the cost of supplies and materials used during disaster response activities, incurred as a result of a state of emergency proclaimed by the Governor, excluding the normal hourly wage costs of regularly assigned emergency services and public safety personnel.

(b) To repair, restore, reconstruct, or replace facilities belonging to local agencies damaged as a result of natural disasters as defined in Section 8680.3.

(c) Matching fund assistance for cost sharing required under federal public assistance programs.

(d) Indirect costs defined as eligible by the Office of Emergency Services and in accordance with the federal Office of Management and Budget Circular No. A-87, or its successors, and any other assistance deemed necessary by the Director of Emergency Services.

(e) Necessary and required site preparation costs for mobilehomes, travel trailers, and other manufactured housing units provided by the federal temporary housing assistance program operated by the Federal Emergency Management Agency.

(f) The amendments to this section made during the 1993-94 Regular Session of the Legislature apply with respect to natural disasters occurring on and after the date on which those amendments become operative.

SEC. 3. Section 8686 of the Government Code is amended to read:

8686. (a) For any eligible project, the state share shall amount to no more than 75 percent of total state eligible costs. The state shall make no allocation for any project application resulting in a state share of less than two thousand five hundred dollars (\$2,500).

(b) Notwithstanding subdivision (a), the state share shall be up to 100 percent of total state eligible costs connected with the October 17, 1989, Loma Prieta earthquake, the October 20, 1991, East Bay fire, and the January 17, 1994, Northridge earthquake. The state shall make no allocation for any project application resulting in a state share of less than two thousand five hundred dollars (\$2,500) under this subdivision.

SEC. 4. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to provide victims of natural disasters in this state with needed assistance as soon as possible, it is necessary for this act to take effect immediately.

CHAPTER 98

An act to amend Section 48204 of the Education Code, and to add Part 1.5 (commencing with Section 6550) to Division 11 of the Family Code, relating to minors, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 6, 1994. Filed with
Secretary of State June 6, 1994.]

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

SECTION 1. The Legislature finds and declares that according to the latest federal decennial census, during the 1980's there was a 40-percent increase in the number of children who had lived with a nonparent relative. Furthermore, according to the 1990 California Census there are 673,563 minors living with nonparent relatives and 207,825 minors living with nonrelatives. The Legislature further finds and declares that the enactment of Part 1.5 (commencing with Section 6550) of Division 11 of the Family Code will help to ensure that minors living with nonparent caregivers will have unhindered access to public education and essential medical care.

SEC. 2. Section 48204 of the Education Code, as amended by Section 9.6 of Chapter 1296 of the Statutes of 1993, is amended to read:

48204. Notwithstanding Section 48200, a pupil shall be deemed to have complied with the residency requirements for school attendance in a school district, provided he or she is any of the following:

(a) A pupil placed within the boundaries of that school district in a regularly established licensed children's institution, or a licensed foster home, or a family home pursuant to a commitment or placement under Chapter 2 (commencing with Section 200) of Part

1 of Division 2 of the Welfare and Institutions Code.

An agency placing a pupil in a home or institution described in this subdivision shall provide evidence to the school that the placement or commitment is pursuant to law.

(b) A pupil for whom interdistrict attendance has been approved pursuant to Chapter 5 (commencing with Section 46600) of Part 26 of Division 3 of this title.

(c) A pupil whose residence is located within the boundaries of that school district and whose parent or legal guardian is relieved of responsibility, control, and authority through emancipation.

(d) A pupil who lives in the home of a caregiving adult that is located within the boundaries of that school district. Execution of an affidavit under penalty of perjury pursuant to Part 1.5 (commencing with Section 6550) of Division 11 of the Family Code by the caregiving adult shall be a sufficient basis for a determination that the pupil lives in the caregiver's home, unless the school district determines from actual facts that the pupil is not living in the caregiver's home.

(e) A pupil residing in a state hospital located within the boundaries of that school district.

(f) An elementary school pupil, one or both of whose parents, or whose legal guardian, is employed within the boundaries of that school district.

(1) Nothing in this subdivision requires the school district within which the pupil's parents or guardians are employed to admit the pupil to its schools. Districts may not, however, refuse to admit pupils under this subdivision on the basis, except as expressly provided in this subdivision, of race, ethnicity, sex, parental income, scholastic achievement, or any other arbitrary consideration.

(2) The school district in which the residency of either the pupil's parents or guardians is established, or the school district to which the pupil is to be transferred under this subdivision, may prohibit the transfer of the pupil under this subdivision if the governing board of the district determines that the transfer would negatively impact the district's court-ordered or voluntary desegregation plan.

(3) The school district to which the pupil is to be transferred under this subdivision may prohibit the transfer of the pupil if the district determines that the additional cost of educating the pupil would exceed the amount of additional state aid received as a result of the transfer.

(4) Any district governing board prohibiting a transfer pursuant to paragraph (1), (2), or (3) shall identify, and communicate in writing to the pupil's parent or guardian, the specific reasons for that determination and shall ensure that the determination, and the specific reasons therefor, are accurately recorded in the minutes of the board meeting in which the determination was made.

(5) The average daily attendance for pupils admitted pursuant to this subdivision shall be calculated pursuant to Section 46607.

(6) Unless approved by the sending district, this subdivision does

not authorize a net transfer of pupils out of any given district, calculated as the difference between the number of pupils exiting the district and the number of pupils entering the district, in any fiscal year in excess of the following amounts:

(A) For any district with an average daily attendance for that fiscal year of less than 501, 5 percent of the average daily attendance of the district.

(B) For any district with an average daily attendance for that fiscal year of 501 or more, but less than 2501, 3 percent of the average daily attendance of the district or 25 pupils, whichever is greater.

(C) For any district with an average daily attendance of 2501 or more, 1 percent of the average daily attendance of the district or 75 pupils, whichever is greater.

Once a pupil is deemed to have complied with the residency requirements for school attendance pursuant to this subdivision and is enrolled in a school in a school district whose boundaries include the location where one parent or both parents of a pupil is employed, or where a pupil's legal guardian is employed, the pupil shall not have to reapply in the next school year to attend a school within that school district.

(g) This section shall remain in effect only until June 30, 1995, and as of that date is repealed, unless a later enacted statute, which is enacted before June 30, 1995, deletes or extends that date. If that date is not deleted or extended, then, on and after July 1, 1995, pursuant to Section 9611 of the Government Code, Section 48204 of the Education Code, as amended by Section 3 of Chapter 1191 of the Statutes of 1980, shall have the same force and effect as if this temporary provision had not been enacted.

SEC. 2.5. Section 48204 of the Education Code, as amended by Section 9.6 of Chapter 1296 of the Statutes of 1993, is amended to read:

48204. Notwithstanding Section 48200, a pupil shall be deemed to have complied with the residency requirements for school attendance in a school district, provided he or she is any of the following:

(a) A pupil placed within the boundaries of that school district in a regularly established licensed children's institution, or a licensed foster home, or a family home pursuant to a commitment or placement under Chapter 2 (commencing with Section 200) of Part 1 of Division 2 of the Welfare and Institutions Code.

An agency placing a pupil in a home or institution described in this subdivision shall provide evidence to the school that the placement or commitment is pursuant to law.

(b) A pupil for whom interdistrict attendance has been approved pursuant to Chapter 5 (commencing with Section 46600) of Part 26 of Division 3 of this title.

(c) A pupil whose residence is located within the boundaries of that school district and whose parent or legal guardian is relieved of responsibility, control, and authority through emancipation.

(d) A pupil who lives in the home of a caregiving adult that is located within the boundaries of that school district. Execution of an affidavit under penalty of perjury pursuant to Part 1.5 (commencing with Section 6550) of Division 11 of the Family Code by the caregiving adult shall be a sufficient basis for a determination that the pupil lives in the caregiver's home, unless the school district determines from actual facts that the pupil is not living in the caregiver's home.

(e) A pupil residing in a state hospital located within the boundaries of that school district.

(f) An elementary school pupil, one or both of whose parents, or whose legal guardian, is employed within the boundaries of that school district.

(1) Nothing in this subdivision requires the school district within which the pupil's parents or guardians are employed to admit the pupil to its schools. Districts may not, however, refuse to admit pupils under this subdivision on the basis, except as expressly provided in this subdivision, of race, ethnicity, sex, parental income, scholastic achievement, or any other arbitrary consideration.

(2) The school district in which the residency of either the pupil's parents or guardians is established, or the school district to which the pupil is to be transferred under this subdivision, may prohibit the transfer of the pupil under this subdivision if the governing board of the district determines that the transfer would negatively impact the district's court-ordered or voluntary desegregation plan.

(3) The school district to which the pupil is to be transferred under this subdivision may prohibit the transfer of the pupil if the district determines that the additional cost of educating the pupil would exceed the amount of additional state aid received as a result of the transfer.

(4) Any district governing board prohibiting a transfer pursuant to paragraph (1), (2), or (3) shall identify, and communicate in writing to the pupil's parent or guardian, the specific reasons for that determination and shall ensure that the determination, and the specific reasons therefor, are accurately recorded in the minutes of the board meeting in which the determination was made.

(5) The average daily attendance for pupils admitted pursuant to this subdivision shall be calculated pursuant to Section 46607.

(6) Unless approved by the sending district, this subdivision does not authorize a net transfer of pupils out of any given district, calculated as the difference between the number of pupils exiting the district and the number of pupils entering the district, in any fiscal year in excess of the following amounts:

(A) For any district with an average daily attendance for that fiscal year of less than 501, 5 percent of the average daily attendance of the district.

(B) For any district with an average daily attendance for that fiscal year of 501 or more, but less than 2501, 3 percent of the average daily attendance of the district or 25 pupils, whichever is greater.

(C) For any district with an average daily attendance of 2501 or more, 1 percent of the average daily attendance of the district or 75 pupils, whichever is greater.

(7) Once a pupil is deemed to have complied with the residency requirements for school attendance pursuant to this subdivision and is enrolled in a school in a school district whose boundaries include the location where one parent or both parents of the pupil is employed, or where the pupil's legal guardian is employed, the pupil shall not have to reapply in the next school year to attend a school within that school district and the district governing board shall allow the pupil to attend school through the 12th grade in that district if the parent or guardian so chooses subject to paragraphs (1) to (6), inclusive.

(g) This section shall remain in effect only until July 1, 1998, and as of that date is repealed, unless a later enacted statute, which is enacted before July 1, 1998, deletes or extends that date.

SEC. 3. Section 48204 of the Education Code, as amended by Section 9.7 of Chapter 1296 of the Statutes of 1993, is amended to read:

48204. Notwithstanding Section 48200, a pupil shall be deemed to have complied with the residency requirements for school attendance in a school district, provided he or she is:

(a) A pupil placed within the boundaries of that school district in a regularly established licensed children's institution, or a licensed foster home, or a family home pursuant to a commitment or placement under Chapter 2 (commencing with Section 200) of Part 1 of Division 2 of the Welfare and Institutions Code.

An agency placing a pupil in the home or institution shall provide evidence to the school that the placement or commitment is pursuant to law.

(b) A pupil for whom interdistrict attendance has been approved pursuant to the provisions of Chapter 5 (commencing with Section 46600) of Part 26 of Division 3 of this title.

(c) A pupil whose residence is located within the boundaries of that school district and whose parent or legal guardian is relieved of responsibility, control, and authority through emancipation.

(d) A pupil who lives in the home of a caregiving adult that is located within the boundaries of that school district. Execution of an affidavit under penalty of perjury pursuant to Part 1.5 (commencing with Section 6550) of Division 11 of the Family Code by the caregiving adult shall be a sufficient basis for a determination that the pupil lives in the caregiver's home, unless the school district determines from actual facts that the pupil is not living in the caregiver's home.

(e) A pupil residing in a state hospital located within the boundaries of that school district.

SEC. 3.5. Section 48204 of the Education Code, as amended by Section 9.7 of Chapter 1296 of the Statutes of 1993, is amended to read:

48204. Notwithstanding Section 48200, a pupil shall be deemed to have complied with the residency requirements for school attendance in a school district, provided he or she is:

(a) A pupil placed within the boundaries of that school district in a regularly established licensed children's institution, or a licensed foster home, or a family home pursuant to a commitment or placement under Chapter 2 (commencing with Section 200) of Part 1 of Division 2 of the Welfare and Institutions Code.

An agency placing a pupil in the home or institution shall provide evidence to the school that the placement or commitment is pursuant to law.

(b) A pupil for whom interdistrict attendance has been approved pursuant to the provisions of Chapter 5 (commencing with Section 46600) of Part 26 of Division 3 of this title.

(c) A pupil whose residence is located within the boundaries of that school district and whose parent or legal guardian is relieved of responsibility, control, and authority through emancipation.

(d) A pupil who lives in the home of a caregiving adult that is located within the boundaries of that school district. Execution of an affidavit under penalty of perjury pursuant to Part 1.5 (commencing with Section 6550) of Division 11 of the Family Code by the caregiving adult shall be a sufficient basis for a determination that the pupil lives in the caregiver's home, unless the school district determines from actual facts that the pupil is not living in the caregiver's home.

(e) A pupil residing in a state hospital located within the boundaries of that school district.

(f) This section shall become operative on July 1, 1998.

SEC. 4. Part 1.5 (commencing with Section 6550) is added to Division 11 of the Family Code, to read:

PART 1.5. CAREGIVERS

6550. (a) A caregiver's authorization affidavit that meets the requirements of this part authorizes a caregiver 18 years of age or older who completes items 1-4 of the affidavit provided in Section 6552 and signs the affidavit to enroll a minor in school and consent to school-related medical care on behalf of the minor. A caregiver who is a relative and who completes items 1-8 of the affidavit provided in Section 6552 and signs the affidavit shall have the same rights to authorize medical care and dental care for the minor that are given to guardians under Section 2353 of the Probate Code.

(b) The affidavit shall not be valid for more than one year after the date on which it is executed.

(c) The decision of a caregiver to consent to or to refuse medical or dental care for a minor shall be superseded by any contravening decision of the parent or other person having legal custody of the minor, provided the decision of the parent or other person having legal custody of the minor does not jeopardize the life, health, or

safety of the minor.

(d) No person who acts in good faith reliance on a caregiver's authorization affidavit to provide medical or dental care, without actual knowledge of facts contrary to those stated on the affidavit, is subject to criminal liability or to civil liability to any person, or is subject to professional disciplinary action, for such reliance if the applicable portions of the affidavit are completed.

This subdivision shall apply even if medical or dental care is provided to a minor in contravention of the wishes of the parent or other person having legal custody of the minor as long as the person providing the medical or dental care has no actual knowledge of the wishes of the parent or other person having legal custody of the minor.

(e) A person who relies on the affidavit has no obligation to make any further inquiry or investigation.

(f) Nothing in this section shall relieve any individual from liability for violations of other provisions of law.

(g) If the minor stops living with the caregiver, the caregiver shall notify any school, health care provider, or health care service plan that has been given the affidavit.

(h) A caregiver's authorization affidavit shall be invalid unless it substantially contains, in not less than 10-point boldface type or a reasonable equivalent thereof, the warning statement beginning with the word "warning" specified in Section 6552. The warning statement shall be enclosed in a box with 3-point rule lines.

(i) For purposes of this part:

(1) "Person" includes an individual, corporation, partnership, association, the state, or any city, county, city and county, or other public entity or governmental subdivision or agency, or any other legal entity.

(2) "Relative" means a spouse, parent, stepparent, brother, sister, stepbrother, stepsister, half-brother, half-sister, uncle, aunt, niece, nephew, first cousin, or any person denoted by the prefix "grand" or "great," or the spouse of any of the persons specified in this definition, even after the marriage has been terminated by death or dissolution.

(3) "School-related medical care" means medical care that is required by state or local governmental authority as a condition for school enrollment, including immunizations, physical examinations, and medical examinations conducted in schools for pupils.

6552. The caregiver's authorization affidavit shall be in substantially the following form:

Caregiver's Authorization Affidavit

Use of this affidavit is authorized by Part 1.5 (commencing with Section 6550) of Division 11 of the California Family Code.

Instructions: Completion of items 1-4 and the signing of the affidavit is sufficient to authorize enrollment of a minor in school and authorize school-related medical care. Completion of items 5-8 is additionally required to authorize any other medical care. Print clearly.

The minor named below lives in my home and I am 18 years of age or older.

1. Name of minor: _____ .

2. Minor's birth date: _____ .

3. My name (adult giving authorization): _____ .

4. My home address: _____ .

_____ .

5. I am a grandparent, aunt, uncle, or other qualified relative of the minor (see back of this form for a definition of "qualified relative").

6. Check one or both (for example, if one parent was advised and the other cannot be located):

I have advised the parent(s) or other person(s) having legal custody of the minor of my intent to authorize medical care, and have received no objection.

I am unable to contact the parent(s) or other person(s) having legal custody of the minor at this time, to notify them of my intended authorization.

7. My date of birth: _____ .

8. My California's drivers license or identification card number: _____ .

<p>Warning: Do not sign this form if any of the statements above are incorrect, or you will be committing a crime punishable by a fine, imprisonment, or both.</p>
--

I declare under penalty of perjury under the laws of the State of

California that the foregoing is true and correct.

Dated: _____ Signed: _____

Notices:

1. This declaration does not affect the rights of the minor's parents or legal guardian regarding the care, custody, and control of the minor, and does not mean that the caregiver has legal custody of the minor.
2. A person who relies on this affidavit has no obligation to make any further inquiry or investigation.
3. This affidavit is not valid for more than one year after the date on which it is executed.

Additional Information:

TO CAREGIVERS:

1. "Qualified relative," for purposes of item 5, means a spouse, parent, stepparent, brother, sister, stepbrother, stepsister, half-brother, half-sister, uncle, aunt, niece, nephew, first cousin, or any person denoted by the prefix "grand" or "great," or the spouse of any of the persons specified in this definition, even after the marriage has been terminated by death or dissolution.
2. The law may require you, if you are not a relative or a currently licensed foster parent, to obtain a foster home license in order to care for a minor. If you have any questions, please contact your local department of social services.
3. If the minor stops living with you, you are required to notify any school, health care provider, or health care service plan to which you have given this affidavit.
4. If you do not have the information requested in item 8 (California driver's license or I.D.), provide another form of identification such as your social security number or Medi-Cal number.

TO SCHOOL OFFICIALS:

1. Section 48204 of the Education Code provides that this affidavit constitutes a sufficient basis for a determination of residency of the minor, without the requirement of a guardianship or other custody order, unless the school district determines from actual facts that the minor is not living with the caregiver.

2. The school district may require additional reasonable evidence that the caregiver lives at the address provided in item 4.

TO HEALTH CARE PROVIDERS AND HEALTH CARE SERVICE PLANS:

1. No person who acts in good faith reliance upon a caregiver's authorization affidavit to provide medical or dental care, without actual knowledge of facts contrary to those stated on the affidavit, is subject to criminal liability or to civil liability to any person, or is subject to professional disciplinary action, for such reliance if the applicable portions of the form are completed.

2. This affidavit does not confer dependency for health care coverage purposes.

SEC. 5. Sections 2.5 and 3.5 of this bill incorporate amendments to Section 48204 of the Education Code proposed by both this bill and AB 2768. They shall only become operative if (1) both bills are enacted and become effective on or before January 1, 1995, but this bill becomes operative first, (2) each bill amends Section 48204 of the Education Code, and (3) this bill is enacted after AB 2768, in which case Section 3 of this bill shall not become operative and Section 48204 of the Education Code, as amended by Section 2 of this bill, shall remain operative only until the operative date of AB 2768, at which time Section 2.5 of this bill shall become operative.

SEC. 6. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to ensure that all minors currently living with a nonparent caregiver have unhindered access to public education and essential medical care at the earliest possible time, it is necessary that this act take effect immediately.

CHAPTER 99

An act to amend Section 17151 of the Revenue and Taxation Code, relating to taxation.

[Approved by Governor June 6, 1994. Filed with
Secretary of State June 6, 1994.]

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

SECTION 1. Section 17151 of the Revenue and Taxation Code is amended to read:

17151. (a) Except as provided in subdivision (b), Section 127 of

the Internal Revenue Code, relating to educational assistance programs, shall apply.

(b) (1) The provisions of Section 127(d) of the Internal Revenue Code, relating to terminations, shall not apply.

(2) The provisions of Section 127 of the Internal Revenue Code, relating to educational assistance programs, shall not apply to any taxable year (or portion thereof) that those provisions (or similar provisions) are not applicable for federal income tax purposes.

CHAPTER 100

An act to amend Section 180 of, and to add Section 180.7 to, the Streets and Highways Code, relating to highways.

[Approved by Governor June 6, 1994. Filed with
Secretary of State June 6, 1994.]

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

SECTION 1. Section 180 of the Streets and Highways Code is amended to read:

180. (a) For the purposes of this article, "project" means any activity of seismic retrofit work that includes either of the following:

(1) The structural modification of an existing highway structure that does not increase the number of mixed-flow lanes.

(2) The replacement of an existing highway structure by a newly constructed structure meeting seismic safety requirements that does not increase the number of mixed-flow lanes.

(b) For the purpose of this article:

(1) "Permit" includes any permit, authorization, approval, or consent in any form.

(2) "Permitting agency" includes any city, county, city and county, and any state or local public agency.

SEC. 2. Section 180.7 is added to the Streets and Highways Code, to read:

180.7. This article shall remain in effect only until March 15, 1997, and shall have no force or effect on or after that date, unless a later enacted statute, that is enacted before March 15, 1997, deletes or extends that date.

CHAPTER 101

An act to amend Section 4420 of the Government Code, relating to public works, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 6, 1994. Filed with
Secretary of State June 6, 1994.]

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

SECTION 1. Section 4420 of the Government Code is amended to read:

4420. (a) No officer or employee of this state, or of any public agency or of any public authority, and no person acting or purporting to act on behalf of any officer, employee, or public agency or authority, except a public agency or authority created pursuant to agreement or compact with another state, shall, with respect to any public building or construction contract which is about to be or which has been competitively bid, require the bidder to make application to, or furnish financial data to, or to obtain or procure any surety bond or contract of insurance specified in connection with the contract, or specified by any law, ordinance, or regulation, from, a particular surety or insurance company, agent, or broker.

(b) No officer or employee, or person, firm, or corporation acting or purporting to act on behalf of any officer or employee, shall negotiate, make application for, obtain, or procure any such surety bond or contract of insurance (except contracts of insurance for builder's risk or owner's protective liability) which can be obtained or procured by the bidder, contractor, or subcontractor.

(c) Subdivision (b) shall not apply to the construction of any exclusive public mass transit guideway project in any county with a population exceeding 6,000,000, or in the County of Santa Clara or the City and County of San Francisco, to any exclusive public mass transit guideway project undertaken by either the San Francisco Bay Area Rapid Transit District or the Sacramento Regional Transit District, to any airport expansion project undertaken at the San Francisco International Airport, to any water, wastewater, or reclamation project undertaken by a public agency serving a population exceeding 250,000, to any exclusive public water storage or conveyance facility undertaken by a metropolitan water district that was organized under the Metropolitan Water District Act, Chapter 209 of the Statutes of 1969, as amended, to any county medical center within San Bernardino County or Riverside County, to any construction project undertaken by the Harbor Department of the City of Los Angeles, to any construction or renovation project undertaken by the Foothill/Eastern or San Joaquin Hills Transportation Corridor Agencies in Orange County, or to construction or renovation of additions to any county medical center

located within Santa Clara County.

(d) As used in this section, "public agency" means any city, county, city and county, district, municipal or public corporation, or any agency or instrumentality thereof.

SEC. 2. The Legislature finds and declares that due to unique circumstances concerning the Foothill/Eastern and San Joaquin Hills Transportation Corridor Agencies in Orange County and unique circumstances concerning the county medical center in Santa Clara County, a general statute cannot be made applicable within the meaning of Section 16 of Article IV of the California Constitution.

SEC. 3. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

Unless this act is adopted immediately, ongoing construction and projects imminently commencing may be delayed or aborted thereby potentially increasing costs to public agencies in Orange County.

CHAPTER 102

An act relating to elections, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 6, 1994. Filed with
Secretary of State June 6, 1994.]

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

SECTION 1. (a) The sum of eight million five hundred thirty-eight thousand dollars (\$8,538,000) is hereby appropriated in accordance with the following schedule:

(1) Three million seven hundred thirty-eight thousand dollars (\$3,738,000) for expenditure in the 1993-94 fiscal year in augmentation of Item 0890-001-001 of the Budget Act of 1993 for the purpose of covering expenses incurred by the Secretary of State's office related to the special statewide election held November 2, 1993.

(2) The amount appropriated is scheduled with Item 0890-001-001 of the Budget Act of 1993 as follows:

(A) Personal Services—ten thousand dollars (\$10,000).

(B) Operating Expenses and Equipment—one hundred sixty thousand dollars (\$160,000).

(C) Special Items of Expense—three million five hundred sixty-eight thousand dollars (\$3,568,000).

(b) The sum of four million eight hundred thousand dollars (\$4,800,000) is hereby appropriated from the General Fund to the

State Board of Control to reimburse counties for the state's share of special elections' costs, as required by Chapter 39 of the Statutes of 1993. This amount is based on and reimbursement shall be provided at a maximum rate of up to one dollar and twenty-nine cents (\$1.29) per registered voter or the actual amount claimed, on or before May 4, 1994, with the State Board of Control for nonconsolidated elections, whichever is less, and a maximum rate of up to sixty-one cents (\$0.61) per registered voter or the actual amount claimed, on or before May 4, 1994, with the State Board of Control for consolidated elections, whichever is less.

(c) The State Board of Control may approve claims of counties in which fewer than 20,000 registered voters were eligible to participate in a special election in amounts greater than the maximums specified in subdivision (a).

(d) The State Board of Control shall pay all expenses, authorized and necessarily incurred in the preparation for and conduct of elections proclaimed by the Governor to fill a vacancy in the office of Senator or Member of the Assembly, or to fill a vacancy in the office of United States Senator or Representative in the United States House of Representatives. If an election proclaimed by the Governor to fill a vacancy in an office specified in this subdivision is consolidated with any other local election, the State Board of Control shall only pay those additional expenses directly related to the election proclaimed by the Governor to fill a vacancy in that office.

(e) The funds appropriated in this act may only be used to pay claims received by the State Board of Control prior to May 4, 1994. Claims received after that date will be eligible for funding in subsequent legislation.

SEC. 2. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

The Secretary of State's budget contains funding authority to support one statewide election per fiscal year. There was a special statewide election held in November 1993. In order for the Secretary of State's office to carry out its constitutional mandate to produce and distribute the state ballot pamphlet for the regularly scheduled statewide primary election in June 1994, its appropriation must be augmented immediately to cover the costs expended by that office for the November 1993 special statewide election. In addition, Chapter 39 of the Statutes of 1993, requires the state to reimburse counties for special elections called to fill a vacancy in the Congress or the Legislature and 10 such elections were conducted through December 28, 1993, with the costs thereof having been borne to date by the affected counties. It is therefore necessary that this act take effect immediately.

CHAPTER 103

An act to amend Sections 15373.2 and 15373.71 of the Government Code, relating to rural economic development, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 16, 1994. Filed with
Secretary of State June 16, 1994.]

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

SECTION 1. Section 15373.2 of the Government Code is amended to read:

15373.2. (a) In order to carry out this chapter, there is hereby created in the State Treasury the Rural Economic Development Fund.

(b) The fund shall receive state funds appropriated to it, repayment of loans and interest on those loans pursuant to this chapter, interest which accrues to the moneys in the fund pursuant to subdivision (c), fees or charges pursuant to subdivision (d), and penalties prescribed by the panel.

(c) (1) The Treasurer shall invest moneys contained in the fund not needed to meet current obligations in the same manner as other public funds are invested. The moneys resulting from this investment shall be used to support the three rural small business assistance and development centers previously established through the department and the Employment Development Department. The department shall grant these interest moneys to the centers upon request to provide for the continued operation of the centers.

(2) If sufficient interest moneys are not available at a time when the centers require additional funds, the department shall lend the centers necessary funds from the Rural Economic Development Fund, if the expected interest earnings from the fund will repay the loans. Funds received under this subdivision shall not be considered when the department reviews and approves applications pursuant to Article 4 (commencing with Section 15397.3). Each center shall receive a maximum of one hundred thousand dollars (\$100,000) each fiscal year.

(3) Interest earnings in excess of three hundred thousand dollars (\$300,000) per fiscal year shall be available for expenditure by the department pursuant to this chapter. The expenditures of these interest earnings in excess of three hundred thousand dollars (\$300,000) shall include the costs associated with the provision of ongoing legal counsel to the Infrastructure Review Panel, created pursuant to Article 5 (commencing with Section 15373.6) and reimbursement of expenses incurred by designated panel members while in the conduct of official panel business. The interest earnings in excess of three hundred thousand dollars (\$300,000) may also be

used by the department for administrative support and local assistance costs of activities consistent with the purposes of this chapter.

(4) In addition to centers specified in paragraph (1), centers which are located in a county subject to this chapter may also be funded from interest earnings in an amount not to exceed two hundred thousand dollars (\$200,000) annually for all additional centers, if there are sufficient funds available after support is provided for the three existing rural centers, and after the funding of other priorities established by this chapter.

(5) If sufficient interest earnings are available after support is provided to centers specified in paragraphs (1) and (4), and to other priorities established by this chapter, an amount not to exceed seventy-five thousand dollars (\$75,000) annually may be used for support of the California Main Street Program (Chapter 8 (commencing with Section 15399)). Services rendered as a result of this increased support shall be targeted for Main Street Demonstration and Self-Initiated Cities in counties subject to this chapter.

(d) In order to defray costs to the agency for administration of Article 5 (commencing with Section 15373.6), the agency may impose reasonable charges on all applications, and approved loans. The agency may use these fees or other charges for those costs necessary to protect the state's position as a lender-creditor. These costs include, but are not limited to, foreclosure expenses, auction fees, title searches, appraisals, real estate brokerage fees, removal and storage for repossessed equipment and inventory, and additional expenditures to purchase a senior lien in foreclosure or bankruptcy proceedings.

(e) Notwithstanding Section 13340, all moneys in the fund are continuously appropriated to, and shall remain available for expenditure by, the agency for the purposes of this chapter.

(f) Unless deemed appropriate by the local agency, no money in the fund shall be used in lieu of any existing state infrastructure financing program, including, but not limited to, the State Transportation Improvement Program or the Clean Water Bond Program.

(g) Proceeds of any bond or other obligation issued pursuant to the authority contained in this chapter may be deposited with a trustee. In the event that security for a bond includes any partially disbursed Rural Economic Development Infrastructure Program loan, the agency shall be authorized to transfer the encumbered funds to the trustee for disbursement.

(h) Interest earned on any funds collected pursuant to subdivision (g) may be deposited into the Rural Economic Development Fund and expended for support or loans in an amount not to exceed two hundred seventy-five thousand dollars (\$275,000) in the 1994-95 fiscal year. Funding in subsequent years shall be subject to appropriation by the Legislature in the annual Budget Act.

SEC. 2. Section 15373.71 of the Government Code is amended to read:

15373.71. (a) The agency may issue its bonds through the panel, from time to time, in the principal amount that the agency determines is necessary to provide sufficient funds for the purposes specified in this article and for establishment of reserves to secure the bonds and other expenditures of the agency incident to, and necessary or convenient to, issuance of the bonds.

(b) The aggregate principal amount of bonds that may be outstanding at any time pursuant to this section shall not exceed the aggregate principal amount of obligations outstanding pursuant to this article exclusive of bonds issued to refund previously issued bonds of the agency.

(c) Every issue of bonds shall be revenue obligations of the agency payable only out of moneys in the fund, or held pursuant to a trust agreement, subject only to any agreements with the holders of particular bonds pledging any particular assets, revenues, or moneys.

(d) Any bonds issued under this article may be secured by a trust agreement, indenture, or resolution by and between the agency and a trustee, which shall be a bank or trust company chartered under the laws of this state or of the United States.

(e) The bonds shall be authorized by resolution or resolutions of the panel, shall be in the form, shall bear date or dates, and shall mature at the time or times as the resolution or resolutions may provide, except that no bond shall mature more than 50 years from the date of its issue. The bonds shall bear interest at the rate or rates, be in the denominations, be in the form, be executed in the manner, be payable in the medium of payment at the place or places within or without the state, be subject to the terms of redemption and contain the terms and conditions as the resolution or resolutions may provide. The bonds of the agency shall be sold at public or private sale by the Treasurer at, above, or below the par value, on the terms and conditions and for the consideration as the agency shall determine by resolution prior to the sale.

(f) Whenever the agency deems that it will increase the salability or the price of the bonds to obtain, prior to or after sale, a legal opinion, other than that of the Attorney General, as to the validity of the bonds, or as to the exclusion of interest on the bonds from gross income for federal income tax purposes, the agency may obtain a legal opinion, including authorizing the Treasurer to obtain a legal opinion. Payment for the legal services may be made out of the proceeds of the sale of the bonds.

(g) The agency may employ financial consultants, advisers, and accountants as may be necessary in its judgment in connection with the issuance and sale of any bonds of the agency. Payment for these services may be made out of the proceeds of the sale of the bonds.

(h) Notwithstanding Section 13340, if the bond is payable from a fund, amounts necessary to pay debt service for any bonds or notes issued pursuant to this part are hereby appropriated without regard

to fiscal years from the fund.

(i) Section 10295 and Sections 10335 to 10382, inclusive, of the Public Contract Code shall not apply to agreements entered into by the agency or the Treasurer in connection with the sale of bonds or notes authorized under this part.

(j) The bonds issued under this article shall be special obligations of the agency secured solely by the revenues received from the loans made pursuant to this article. No bond issued or sold pursuant to this article shall be or become a lien, charge, or liability against the State of California or against its property or funds except to the extent of the pledges expressly made by this article. Every bond issued pursuant to this article shall contain a recital on the face thereof stating that neither the payment of the principal nor any part thereof, nor any interest thereon, constitutes a debt, liability, or general obligation of the State of California other than as provided in this article. The agency has no power at any time or in any manner to pledge the credit or taxing power of the state or any of its local agencies, other than as provided in this article.

(k) Bonds issued pursuant to this article are a legal investment for any state special or trust fund notwithstanding any provision of law limiting the investments that may be made by the special or trust fund. The bonds of the agency shall be legal investments in which all public officers and public bodies of the state, its political subdivisions, all municipalities and municipal subdivisions, all insurance companies and associations and other persons carrying on an insurance business, all banks, savings and loan associations, savings banks and savings associations, investment companies, all administrators, guardians, executors, trustees and other fiduciaries, and all other persons authorized to invest in bonds or in other obligations of the state, may properly and legally invest funds, including capital, in their control or belonging to them. The bonds may be used as security for public deposits. The bonds are also securities that may properly and legally be deposited with and received by all public officers and bodies of the state or any agency or political subdivision of the state and all municipalities and public corporations for any purpose for which the deposit of bonds or other obligations of the state is authorized by law, including deposits to secured public funds.

(l) Notwithstanding any other provisions of law, this article provides a complete, separate, additional, and alternative method for the doing of the things authorized by this article, including the authority of local agencies to have borrowed and to borrow in the future in accordance herewith, and is supplemental and additional to powers conferred by other laws.

SEC. 3. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to ensure that the Rural Economic Development

Infrastructure Program loan program may continue to provide assistance to California's rural communities, it is essential that this act go into effect immediately.

CHAPTER 104

An act to add Chapter 30.5 (commencing with Section 7594.5) to Division 7 of Title 1 of the Government Code, relating to blind and visually impaired people.

[Approved by Governor June 16, 1994. Filed with
Secretary of State June 16, 1994.]

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

SECTION 1. Chapter 30.5 (commencing with Section 7594.5) is added to Division 7 of Title 1 of the Government Code, to read:

CHAPTER 30.5. BRAILLE WEEK

7594.5. The first week in January, commencing in 1995, is hereby designated as Braille Literacy Week. The purpose of California's Braille Literacy Week shall be to heighten citizen awareness of the great importance of braille and the great need to continue to provide braille reading materials for blind and visually impaired persons. The Governor and the Legislature shall annually issue proclamations and resolutions as they deem appropriate drawing public attention to this week in order to encourage the private sector and state and local agencies to initiate activities recognizing blind and visually impaired persons.

CHAPTER 105

An act to amend Section 7375 of the Labor Code, relating to occupational safety and health.

[Approved by Governor June 16, 1994. Filed with
Secretary of State June 16, 1994.]

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

SECTION 1. Section 7375 of the Labor Code is amended to read:

7375. (a) The division shall promulgate regulations for the certification of all cranes and derricks used in lifting service, exceeding three tons rated capacity. Tower cranes shall be certified annually and whenever they are erected on a new site.

(b) These regulations shall specify the procedure for licensing the

certificating agencies or agents to conduct certification inspections, and shall establish specific criteria for licensure as a certifier, including a written examination. However, the division may waive the written examination for renewal of a certifier's license if the applicant has passed the written certification examination on or after January 1, 1992, is currently licensed at the time of application, and has been actively engaged in certifying cranes and derricks for the five preceding years.

(c) No individual may certify a crane in which the individual or his or her employer has a direct or indirect financial interest, nor may an individual certify equipment that belongs to his or her employer. An individual may not certify equipment or devices that it has manufactured or help manufacture, if the equipment is owned by his or her employer. However, this subdivision shall not prohibit the licensure of certifiers who are employed by insurance carriers who insure the specific crane.

(d) The certificating agency shall attest that it tested or examined the device or equipment and found it to meet the requirements of the division.

(e) The certificating agency shall notify the division of any deficiencies found during the crane certification inspection. A certificate shall not be issued until all deficiencies are corrected.

CHAPTER 106

An act to amend Section 26661 of the Food and Agricultural Code, and to amend Section 26575 of the Health and Safety Code, relating to poultry, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 16, 1994. Filed with
Secretary of State June 16, 1994.]

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

SECTION 1. The Legislature declares its continuing concern for the quality of poultry offered for sale to consumers within California and for the health, safety, and welfare of consumers of poultry. It is a fact that poultry whose internal temperature is below 26 degrees Fahrenheit becomes solidified to an extent that the ordinary consumer would consider it to have been frozen. It is also a fact that many poultry producers freeze poultry below 26 degrees Fahrenheit, and then thaw the poultry for sale to California consumers as "fresh." The Legislature declares its concern that these practices are misleading and deceptive. Poultry consumers have no way of knowing whether poultry they purchase, which is marketed as "fresh," has, in fact, been previously frozen and thawed. Section 26661 of the Food and Agricultural Code was enacted to protect

consumers from misleading claims that previously frozen poultry is "fresh." In addition to amending Section 26661 by this act, it is the intent of the Legislature, in amending Section 26575 of the Health and Safety Code, to clarify its intent to supersede that section with respect to the use of the term "fresh" in connection with poultry products.

SEC. 2. Section 26661 of the Food and Agricultural Code is amended to read:

26661. (a) (1) No person who processes, butchers, slaughters, packs, repacks, or sells poultry or poultry meat shall advertise, hold out, distribute, or sell as "fresh" any poultry or poultry meat whose internal temperature has been below 26 degrees Fahrenheit.

(2) No person who processes, butchers, slaughters, packs, repacks, or sells poultry or poultry meat shall label as "fresh" any poultry or poultry meat whose internal temperature has been below 26 degrees Fahrenheit.

(3) No poultry or poultry meat that is distributed or sold as "fresh" shall be stored or handled in such a manner that it reaches an internal temperature below 26 degrees Fahrenheit.

(4) No person who processes, butchers, slaughters, packs, repacks, or sells poultry or poultry meat may sell or distribute poultry or poultry meat if it is adulterated, misbranded, or if its labeling is false or misleading in any particular.

(b) No poultry retailer is guilty of a violation of subdivision (a) or of the regulations adopted pursuant to subdivision (c) unless the poultry retailer engages, with actual knowledge, in an act prohibited by subdivision (a).

(c) The secretary may adopt regulations reasonably necessary for carrying out this section, and those regulations shall be, insofar as possible, consistent with regulations adopted by the United States Department of Agriculture.

(d) Each prohibition in subdivision (a) stands alone and if any prohibition in subdivision (a) has been held, or in the future is held, to be unconstitutional, preempted by federal law, or otherwise invalid by any court, all of the other prohibitions set forth in subdivision (a) are intended to, and shall remain, fully effective and shall be interpreted to exclude the unconstitutional, preempted, or otherwise invalid prohibition or prohibitions. If any sentence, clause, word, or portion of this section is for any reason held to be unconstitutional, preempted by federal law, or otherwise invalid, that holding shall not affect the remaining portions of this section. The Legislature hereby declares that it would have enacted this section and each sentence, clause, word, or portion thereof despite the fact that one or more sentences, clauses, words, or portions of this section may be held unconstitutional, preempted by federal law, or otherwise invalid.

SEC. 3. Section 26575 of the Health and Safety Code is amended to read:

26575. (a) No retail food production and marketing

establishment shall advertise, label, or otherwise hold out as fresh any meat or fish that has been previously frozen.

(b) For purposes of this section:

(1) "Frozen" means any meat or fish stored in a room or compartment in which the temperature is plus five degrees Fahrenheit or lower.

(2) "Retail food production and marketing establishment" means any room, building, or place, or portion thereof, maintained, used, or operated for, or in conjunction with, the retail sale of food, or preparation of food. "Retail food production and marketing establishment" does not include any food facility, such as any "mobile food preparation unit" any "vehicle," and any "vending machine" as defined in Chapter 4 (commencing with Section 27500) of Division 22; any wholesale food manufacturing, distributing, or storage establishment, including, but not limited to, the licensed premises or branch office of any winegrower, any brandy manufacturer, or any wine blender, subject to Chapter 7 (commencing with Section 28280) of Division 22; any frozen food locker plant subject to Chapter 12 (commencing with Section 28700) of Division 22; any health facility subject to Chapter 2 (commencing with Section 1250) of Division 2; any community care facility subject to Chapter 3 (commencing with Section 1500) of Division 2; or any "official establishment" subject to Chapter 4 (commencing with Section 18650) of Part 3 of Division 9 of the Food and Agricultural Code.

(c) On and after the effective date of the act that added this subdivision to this section during the 1993-94 Regular Session, Section 26661 of the Food and Agricultural Code shall apply, to the exclusion of any provision of this section, with respect to the advertising, labeling, or otherwise holding out, of poultry.

SEC. 4. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs which may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, changes the definition of a crime or infraction, changes the penalty for a crime or infraction, or eliminates a crime or infraction. Notwithstanding Section 17580 of the Government Code, unless otherwise specified in this act, the provisions of this act shall become operative on the same date that the act takes effect pursuant to the California Constitution.

SEC. 5. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to protect consumers in California from fraud and to address concerns raised by the federal courts in pending litigation relating to an important consumer protection law enacted by the state last year at the earliest possible time, it is necessary that this act take effect immediately.

CHAPTER 107

An act to add Section 340.7 to the Code of Civil Procedure, relating to limitation of actions.

[Approved by Governor June 24, 1994. Filed with
Secretary of State June 27, 1994.]

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

SECTION 1. Section 340.7 is added to the Code of Civil Procedure, to read:

340.7. Notwithstanding subdivision (3) of Section 340, any civil action brought by, or on behalf of, any Dalkon Shield victim against the Dalkon Shield Claimants' Trust, shall be brought in accordance with the procedures established by A. H. Robins Company, Inc. Plan of Reorganization, and shall be brought within 15 years of the date on which the victim's injury occurred, except that the statute shall be tolled from August 21, 1985, the date on which the A. H. Robins Company filed for Chapter 11 Reorganization in Richmond, Virginia.

This section applies regardless of when any such action or claim shall have accrued or been filed and regardless of whether it might have lapsed or otherwise be barred by time under California law. However, this section shall only apply to victims who, prior to January 1, 1990, filed a civil action, a timely claim, or a claim which is declared to be timely under the sixth Amended and Restated Disclosure Statement filed pursuant to Section 1125 of the Federal Bankruptcy Code in re: A.H. Robins Company Inc., dated March 28, 1988, U.S. Bankruptcy Court, Eastern District of Virginia, (Case number 85-01307-R).

SEC. 2. The Legislature hereby finds and declares that the unique and extraordinary circumstances surrounding the Dalkon Shield and the bankruptcy of A.H. Robins Co., Inc. warrants the enactment of Section 340.7 of the Code of Civil Procedure. Because of the unique and extraordinary circumstances involving the Dalkon Shield, it is the intent of the Legislature that enactment of Section 340.7 of the Code of Civil Procedure not be considered precedent for the enactment of similar legislation.

CHAPTER 108

An act to amend Sections 52616.4, 52616.16, 52616.18, 52616.19, and 62000.11 of the Education Code, relating to adult education, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 24, 1994. Filed with
Secretary of State June 27, 1994.]

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

SECTION 1. Section 52616.4 of the Education Code is amended to read:

52616.4. (a) Money in the Adult Education Fund of a school district may be expended only for the following charges:

(1) Direct instructional costs relating directly to the adult education program, including, but not limited to, the salaries and benefits of adult education teachers and aides, textbooks, instructional supplies, travel and conference expenses for employees who work in the adult education program, and repair, maintenance, acquisition, and replacement of instructional equipment used in the adult education program.

(2) Direct support costs for the adult education program. For the purposes of this section "direct support costs" means:

(A) Instructional administration and instructional media costs that are supported by auditable documentation. For purposes of this paragraph, instructional administration costs include the documented costs of individuals who, regardless of specific job title, administer the district's adult education program.

(B) School administration and pupil services costs that are supported by auditable documentation and that represent the activities of individuals whose employment by the school district is exclusively in support of the adult education program, or school administration and pupil services costs that are supported by auditable documentation and that meet all of the following conditions:

(i) Those costs are able to be identified in a separate contract with the adult education program.

(ii) The administration and services are provided exclusively to adult students and only for the period identified in the contract made pursuant to clause (i).

(iii) The services are provided during a time that is different than when services to pupils in kindergarten and grades 1 to 12, inclusive, are provided, and the administration is provided after 4:00 p.m.

(iv) The persons who provide the services and administration to adult students report to the adult education director during the period of the contract made pursuant to clause (i).

(v) The person providing the administration immediately supervises the adult school personnel.

(C) Plant maintenance and operations costs, including costs for facilities that are used to provide child care services to the children of the students attending the adult education program at a particular site as follows:

(i) For facilities that exclusively house adult education programs, the costs that are supported by auditable documentation. For purposes of this subparagraph, a facility that houses an adult education program and a regional occupational center or program or a child care program, or both, is a facility that exclusively houses an adult education program.

(ii) For facilities that are used by more than one program, including the adult education program, a district may charge the Adult Education Fund for an amount attributable to the adult education program, but this charge shall not exceed the amount derived from the following calculation:

(I) Calculate, according to the general description in the California School Accounting Manual, the prorated number of classroom units that the adult education program uses for instructional and child care purposes.

(II) Calculate the total number of classroom units in the district.

(III) Divide the amount calculated in (I) by the amount calculated in (II).

(IV) Multiply the quotient calculated in (III) by the district's total plant maintenance and operations costs.

(D) Facilities costs for nondistrict-owned facilities that exclusively house adult education programs, including, but not limited to, costs of facilities that are used to provide child care services to the children of the students attending the adult education program at the same site. For purposes of this paragraph, a facility that houses an adult education program and a regional occupational center or program or a child care program, or both, is a facility that exclusively houses an adult education program.

(E) Facilities costs for the acquisition of facilities originally acquired by adult education programs, or for the restoration of those facilities, including costs for debt service for the acquisition or restoration of a facility, including the costs of facilities that are used to provide child care services to the children of the students attending the adult education program at the same site.

For the purposes of this paragraph "auditable documentation" means time reports and other contemporaneous records that establish the time that individual employees spend working for the adult education program, and the documentation that supports nonpersonnel costs substantiating that the adult education program received the service, supply, or equipment. That documentation shall comply with the documentation requirements set forth in the California School Accounting Manual published pursuant to Section 41010.

(3) Indirect costs of the adult education program. For the purposes of this paragraph, "indirect costs" means the lesser of the

school district's prior year indirect cost rate as approved by the State Department of Education or the statewide average indirect cost rate for the second prior fiscal year.

(4) As an alternative to charging the costs in both paragraphs (2) and (3) to the adult education program, a school district may transfer not more than 8 percent of the annual revenue deposited in the district's Adult Education Fund to the district's general fund for expenditures the district incurs in operating its adult education program.

(b) If the State Department of Education and the Department of Finance concur that a school district has violated this section, the Superintendent of Public Instruction shall direct that school district to transfer double the amount improperly transferred to the district's general fund from that fund to the district's Adult Education Fund for the subsequent fiscal year, which amount shall be used for the improvement of the district's adult education program. If the school district fails to make that transfer as directed, the superintendent shall reduce the school district's regular apportionment determined pursuant to Section 42238 and increase the district's adult block entitlement determined pursuant to Section 52616 by that amount, which amount shall be used for improvement of the district's adult education program.

(c) It is the intent of the Legislature in enacting this section that responsible school district officials be held fully accountable for the accounting and reporting of adult education programs and that minor and inadvertent instances of noncompliance be resolved in a fair and equitable manner to the satisfaction of the Superintendent of Public Instruction and the Department of Finance.

(d) The Superintendent of Public Instruction, with the approval of the Department of Finance, may waive up to the full transfer amount in subdivision (b) if he or she determines that the noncompliance involved is minor or inadvertent, or both.

SEC. 2. Section 52616.16 of the Education Code is amended to read:

52616.16. (a) For the 1993-94 fiscal year, each school district's adult education revenue limit per unit of average daily attendance shall be determined as follows:

(1) (A) Add the total apportionment the school district received for the 1991-92 fiscal year for its adult education program and the portion of its state apportionment that represents the funding for those secondary school pupils concurrently enrolled in adult education.

(B) Add the school district's average daily attendance funded for the annual apportionment for the 1991-92 fiscal year for adult education and the portion of the district's funded regular average daily attendance for secondary school pupils concurrently enrolled in adult education.

(C) Divide subparagraph (A) by subparagraph (B) to determine the school district's adult education revenue limit per unit of average

daily attendance.

(2) (A) For a school district offering adult education courses and classes pursuant to Section 41976.2, multiply the funded average daily attendance for the second principal apportionment made in the 1991-92 fiscal year for independent study pupils 21 years of age or older and pupils 19 years of age or older who have not been continuously enrolled in kindergarten or any of grades 1 to 12, inclusive, since their 18th birthday, as calculated pursuant to Section 46300.1, as that section read on January 1, 1992, by the statewide average funded adult education revenue limit for the 1992-93 fiscal year. This amount shall be added to the amount calculated pursuant to subparagraph (A) of paragraph (1) of this subdivision.

(B) Determine the funded average daily attendance made in the second principal apportionment for the 1991-92 fiscal year for independent study pupils 21 years of age or older and pupils 19 years of age or older who have not been continuously enrolled in kindergarten or any of grades 1 to 12, inclusive, since their 18th birthday, as calculated pursuant to Section 46300.1, as that section read on January 1, 1992. This amount shall be added to the amount calculated pursuant to subparagraph (B) of paragraph (1) of this subdivision.

(3) If the amount determined in paragraph (1) is between one thousand seven hundred seventy-five dollars (\$1,775) and two thousand fifty dollars (\$2,050), that amount shall be the district's adult education revenue limit per unit of average daily attendance for the 1993-94 fiscal year.

(4) If the amount determined in paragraph (1) is greater than two thousand fifty dollars (\$2,050), the difference between that amount and two thousand fifty dollars (\$2,050) shall be multiplied by 0.67 and that product shall be added to two thousand fifty dollars (\$2,050). That amount shall be the district's adult education revenue limit per unit of average daily attendance for the 1993-94 fiscal year.

(5) If the amount determined in paragraph (1) is less than one thousand seven hundred seventy-five dollars (\$1,775), the difference between that amount and one thousand seven hundred seventy-five dollars (\$1,775) shall be multiplied by .67 and that product shall be subtracted from one thousand seven hundred seventy-five dollars (\$1,775). That amount shall be the district's adult education revenue limit per unit of average daily attendance for the 1993-94 fiscal year.

(6) Any school district that establishes a new adult education program and receives a state apportionment for adult education on or after July 1, 1993, shall have an adult education revenue limit per unit of average daily attendance equal to the statewide average adult education revenue limit for the 1993-94 fiscal year.

(b) For the 1994-95 fiscal year, each school district's adult education revenue limit per unit of average daily attendance shall be determined as follows:

(1) (A) Add the total apportionment the school district received for the 1991-92 fiscal year for its adult education program and the

portion of its state apportionment that represents the funding for those secondary school pupils concurrently enrolled in adult education.

(B) Add the school district's average daily attendance funded for the annual apportionment for the 1991-92 fiscal year for adult education and the portion of the district's funded regular average daily attendance for secondary school pupils concurrently enrolled in adult education.

(C) Divide subparagraph (A) by subparagraph (B) to determine the school district's adult education revenue limit per unit of average daily attendance.

(2) (A) For a school district offering adult education courses and classes pursuant to Section 41976.2, multiply the funded average daily attendance for the second principal apportionment made in the 1991-92 fiscal year for independent study pupils 21 years of age or older and pupils 19 years of age or older who have not been continuously enrolled in kindergarten or any of grades 1 to 12, inclusive, since their 18th birthday, as calculated pursuant to Section 46300.1, as that section read on January 1, 1992, by the statewide average funded adult education revenue limit for the 1992-93 fiscal year. This amount shall be added to the amount calculated pursuant to subparagraph (A) of paragraph (1) of this subdivision.

(B) Determine the funded average daily attendance for the second principal apportionment made in the 1991-92 fiscal year for independent study pupils 21 years of age or older and pupils 19 years of age or older who have not been continuously enrolled in kindergarten or any of grades 1 to 12, inclusive, since their 18th birthday, as calculated pursuant to Section 46300.1, as that section read on January 1, 1992. This amount shall be added to the amount calculated pursuant to subparagraph (B) of paragraph (1) of this subdivision.

(3) If the amount determined in paragraph (1) is between one thousand seven hundred seventy-five dollars (\$1,775) and two thousand fifty dollars (\$2,050), that amount shall be the district's adult education revenue limit per unit of average daily attendance for the 1994-95 fiscal year.

(4) If the amount determined in paragraph (1) is greater than two thousand fifty dollars (\$2,050), the difference between that amount and two thousand fifty dollars (\$2,050) shall be multiplied by 0.33 and that product shall be added to two thousand fifty dollars (\$2,050). That amount shall be the district's adult education revenue limit per unit of average daily attendance for the 1994-95 fiscal year.

(5) If the amount determined in paragraph (1) is less than one thousand seven hundred seventy-five dollars (\$1,775), the difference between that amount and one thousand seven hundred seventy-five dollars (\$1,775) shall be multiplied by .34 and that product shall be subtracted from one thousand seven hundred seventy-five dollars (\$1,775). That amount shall be the district's adult education revenue limit per unit of average daily attendance for the 1994-95 fiscal year.

(6) Any school district that establishes a new adult education program and receives a state apportionment for adult education on or after July 1, 1993, shall have an adult education revenue limit per unit of average daily attendance that is equal to the statewide average adult education revenue limit for the 1994-95 fiscal year.

(c) For the 1995-96 fiscal year the adult education revenue limit per unit of average daily attendance shall be one of the following:

(1) The amount determined in paragraph (1) of subdivision (a).

(2) Two thousand fifty dollars (\$2,050) for any district that had a 1993-94 fiscal year adult education revenue limit per unit of average daily attendance determined pursuant to paragraph (4) of subdivision (a).

(3) One thousand seven hundred seventy-five dollars (\$1,775) for any district that had a 1993-94 fiscal year adult education revenue limit per unit of average daily attendance determined pursuant to paragraph (5) or paragraph (6) of subdivision (a).

(d) Commencing July 1, 1996, an inflation adjustment shall be calculated for each district so that over time the adult education revenue limit per unit of average daily attendance shall be the same for all districts. A school district's adult education revenue limit per unit of average daily attendance shall be the district's prior fiscal year's adult education revenue limit per unit of average daily attendance increased by a dollar amount calculated as follows:

(1) Determine the dollar amount by multiplying the statewide average funded adult education revenue limit per unit of average daily attendance for the prior fiscal year by the inflation adjustment used to increase revenue limits for unified school districts pursuant to Section 42238.1.

(2) Determine a factor as follows:

(A) Multiply the highest funded adult education revenue limit per unit of average daily attendance in the state for the prior fiscal year by 1.02.

(B) Divide the amount determined in subparagraph (A) by the funded adult education revenue limit per unit of average daily attendance of the school district for the prior fiscal year.

(C) If the number determined in subparagraph (B) is greater than 1.10, that result shall be reduced to 1.10. If the number determined in subparagraph (B) is less than 1.02, that result shall be increased to 1.02.

(D) Subtract 1.0 from the number determined in subparagraph (C).

(E) Divide the number determined in subparagraph (D) by the inflation adjustment used to increase revenue limits for a unified school district pursuant to Section 42238.1.

(3) Multiply the dollar amount determined in paragraph (1) by the factor determined in paragraph (2).

(4) Add the amount determined in paragraph (3) to the funded adult revenue limit per unit of average daily attendance of the school district for the prior fiscal year. In no case shall any revenue limit per

unit of average daily attendance be increased above the amount calculated in subparagraph (A) of paragraph (2).

The Superintendent of Public Instruction shall reallocate any amounts calculated for a district in excess of the amount calculated in subparagraph (A) of paragraph (2) to augment the inflation adjustments of other districts.

If the amount of funds needed to provide inflation adjustments calculated pursuant to this subdivision exceeds the amount appropriated in the annual Budget Act for adult education program inflation adjustments, the superintendent shall prorate the amounts calculated pursuant to this subdivision.

(e) When each district's adult education revenue per unit of average daily attendance is the same, each district, notwithstanding paragraphs (1) and (2) of subdivision (d), shall receive the same inflation adjustment calculated pursuant to the inflation adjustment used to increase revenue limits for unified school districts pursuant to Section 42238.1.

(f) If there is an average daily attendance audit adjustment for any of the 1990-91, 1991-92, or 1992-93 fiscal years, for purposes of calculating the district's adjusted adult education revenue limit pursuant to this section, the superintendent, with the approval of the Department of Finance, may waive the average daily attendance audit adjustment if the superintendent determines that the audit exception was minor or inadvertent, or both.

SEC. 3. Section 52616.18 of the Education Code is amended to read:

52616.18. (a) Commencing July 1, 1993, and each fiscal year thereafter, notwithstanding that a school district was not authorized to operate an adult education program pursuant to Section 41976, any school district may apply to the State Department of Education for initial program approval and funding to begin any adult education programs specified in Section 41976 provided the district meets the following criteria:

(1) The district did not operate nor claim state apportionment for an adult education program in the prior fiscal year.

(2) The district enters into a written delineation of function agreement pursuant to Chapter 3 (commencing with Section 8500) of Part 6 for the fiscal year for which initial funding is authorized between the applicant school district and the community college district in the same geographical area.

The Superintendent of Public Instruction may approve the program and state apportionment funding on the basis of the school district's documented need for adult education programs. The superintendent shall issue a program advisory that sets forth the criteria of need that a district is required to document.

(b) Any school district that receives state funding under this section shall ensure that priority for program service is given to persons applying for the district's adult education programs authorized by subdivisions (b), (c), and (d) of Section 41976.

(c) School districts that maintain a current delineation of function agreement with a community college district pursuant to Chapter 3 (commencing with Section 8500) of Part 6 are authorized to divide the responsibility for offering courses pursuant to Section 41976 by mutual agreement of the boards of those districts.

(d) This section shall be operative to the extent that the superintendent determines that funds are available pursuant to Section 52616.19 to implement the section on or after July 1, 1993.

SEC. 4. Section 52616.19 of the Education Code is amended to read:

52616.19. (a) Commencing with the 1993-94 fiscal year, and each fiscal year thereafter, the only funding available for purposes of Sections 52616, 52616.16, 52616.17, and 52616.18 shall be the following:

(1) Funds that would have been apportioned for purposes of Section 52616, as that section read on June 30, 1993.

(2) Funds that would have been apportioned for purposes of concurrently enrolled average daily attendance pursuant to Section 42238.5, as that section read on June 30, 1993.

(3) Funds that would have been available for purposes of adult elementary and secondary independent study average daily attendance pursuant to Section 46300.1, as that section read on June 30, 1993.

(b) In the 1993-94 fiscal year, up to four million two hundred fifty thousand dollars (\$4,250,000) shall be available for the start up of new adult education programs pursuant to Section 52616.18. In the 1994-95 fiscal year, up to eight million five hundred thousand dollars (\$8,500,000) shall be available for the startup of new adult education programs and the continuation of programs started and funded in the 1993-94 fiscal year. Four million two hundred fifty thousand dollars (\$4,250,000) of that amount shall only be available for new adult education programs if there is no deficit applied pursuant to subdivision (c). It is the intent of the Legislature that, commencing in the 1995-96 fiscal year, those adult education programs started and funded in the 1993-94 and 1994-95 fiscal years shall continue to be funded.

(c) If the funds available pursuant to subdivision (a) are not sufficient to fully fund Sections 52616, 52616.16, 52616.17, and 52616.18, the Superintendent of Public Instruction shall reduce the adult education apportionment for each district that received funding pursuant to Section 52616.16.

(d) If the funds available pursuant to subdivision (a) exceed the amount needed to fund Sections 52616, 52616.16, 52616.17, and 52616.18, the Superintendent of Public Instruction shall use any excess funds for the purposes of Section 52616.23.

SEC. 5. Section 62000.11 of the Education Code is amended to read:

62000.11. The adult education program shall sunset on June 30, 1997.

SEC. 6. This act is an urgency statute necessary for the

immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to avoid the sunset of the adult education program, pursuant to existing statutory law, and to make certain essential changes in adult education related financing, it is necessary that this act take effect immediately.

CHAPTER 109

An act to amend Sections 5371.4 and 5387 of, and to add Sections 5385.6, 5386.1, 5387.5, and 5392.5 to, the Public Utilities Code, and to add Sections 5011.5 and 5011.6 to the Vehicle Code, relating to charter-party carriers, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 24, 1994. Filed with
Secretary of State June 27, 1994.]

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

SECTION 1. Section 5371.4 of the Public Utilities Code is amended to read:

5371.4. (a) The governing body of any city, county, or city and county may not impose a fee on charter-party carriers operating limousines. However, the governing body of any city, county, or city and county may impose a business license fee on, and may adopt and enforce any reasonable rules and regulations pertaining to operations within its boundaries for, any charter-party carrier domiciled or maintaining a business office within that city, county, or city and county.

(b) The governing body of any airport may not impose vehicle safety, vehicle licensing, or insurance requirements on charter-party carriers operating limousines that are more burdensome than those imposed by the commission. However, the governing board of any airport may require a charter-party carrier operating limousines to obtain an airport permit for operating authority at the airport.

(c) Notwithstanding subdivisions (a) and (b), the governing body of any airport may adopt and enforce reasonable and nondiscriminatory local airport rules, regulations, and ordinances pertaining to access, use of streets and roads, parking, traffic control, passenger transfers, trip fees, and occupancy, and the use of buildings and facilities, which are applicable to charter-party carriers operating limousines on airport property.

(d) This section does not apply to any agreement entered into pursuant to Sections 21690.5 to 21690.9, inclusive, between the governing body of an airport and charter-party carriers operating limousines.

(e) The commission shall conduct an audit and review of the annual gross revenues earned by charter-party carriers operating limousines for the purpose of ascertaining whether the imposition of additional fees based on a charter-party carrier's gross annual revenues would place an undue administrative or financial burden on the charter-party carrier industry. The commission shall report its findings to the Legislature on or before June 30, 1992.

(f) The governing body of any airport shall not impose a fee based on gross receipts of charter-party carriers operating limousines.

(g) Notwithstanding subdivisions (a) to (f), inclusive, nothing in this section prohibits a city, county, city and county, or the governing body of any airport, from adopting and enforcing reasonable permit requirements, fees, rules, and regulations applicable to charter-party carriers of passengers other than those operating limousines.

(h) For the purposes of this section, "limousine" includes any luxury sedan, of either standard or extended length, with a seating capacity of not more than nine passengers including the driver, used in the transportation of passengers for hire on a prearranged basis to or from airports within this state.

SEC. 2. Section 5385.6 is added to the Public Utilities Code, to read:

5385.6. (a) No charter-party carrier shall operate a limousine as defined by subdivision (h) of Section 5371.4 unless the limousine is equipped with the special license plates issued and distributed by the Department of Motor Vehicles pursuant to Section 5011.5 of the Vehicle Code.

(b) The commission shall issue to each charter-party carrier operating limousines a permit or certificate for the number of vehicles verified by the carrier as employed in providing limousine service. The permit or certificate shall be submitted to the Department of Motor Vehicles, which will issue to each verified vehicle a set of unique, identifying license plates. The department shall maintain a record of each set of plates it issues and provide a copy of each record to the commission.

(c) The commission shall recover from any carrier whose permit or certificate is cancelled, suspended, or revoked any and all plates issued pursuant to this section.

(d) The special license plate shall be in lieu of the decal required to be issued and displayed pursuant to Section 5385.5.

(e) This section shall become operative on July 1, 1995.

SEC. 3. Section 5386.1 is added to the Public Utilities Code, to read:

5386.1. Every charter-party carrier operating a limousine in every written or oral advertisement of the services it offers, shall state the number of its permit or license plate number.

This section shall become operative on July 1, 1995.

SEC. 4. Section 5387 of the Public Utilities Code is amended to read:

5387. It is unlawful for the owner of a charter-party carrier of

passengers to permit the operation of any vehicle upon any public highway for compensation without (1) having obtained from the commission a certificate or permit pursuant to this chapter, (2) having complied with the vehicle identification requirements of Section 5385, 5385.5, or 5385.6, and (3) having complied with the accident liability protection requirements of Section 5391.

The amendments to this section made in 1994 shall become operative on July 1, 1995.

SEC. 5. Section 5387.5 is added to the Public Utilities Code, to read:

5387.5. The commission shall fund the costs of administering the special identification license plate program required by Section 5385.6 of this code and Section 5011.5 of the Vehicle Code, including the costs of the Department of Motor Vehicles, from the Public Utilities Commission Transportation Reimbursement Account.

The commission shall maintain a prudent level of fund balance in the account in any future year. The commission shall consider recovering the costs of this program from the limousine operators when the fund balance is drawn below a prudent level of reserve.

SEC. 6. Section 5392.5 is added to the Public Utilities Code, to read:

5392.5. No person, firm, or corporation holding a valid permit issued by the commission pursuant to this chapter shall be required by any agency of local government to provide insurance in a manner different from that required by the commission.

SEC. 7. Section 5011.5 is added to the Vehicle Code, to read:

5011.5. Every limousine operated by a charter-party carrier, as defined by subdivision (h) of Section 5371.4, shall display a special identification license plate issued pursuant to Section 5385.6 of the Public Utilities Code.

This section shall become operative on July 1, 1995.

SEC. 8. Section 5011.6 is added to the Vehicle Code, to read:

5011.6. Not later than January 1, 1995, the department and the Public Utilities Commission shall adopt a memorandum of understanding governing the exchange of information regarding vehicle registrations, and reimbursement by the commission of the department's costs in producing and distributing special identification license plates for limousines required by Section 5011.5 and Section 5385.6 of the Public Utilities Code.

SEC. 9. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs which may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, changes the definition of a crime or infraction, changes the penalty for a crime or infraction, or eliminates a crime or infraction. Notwithstanding Section 17580 of the Government Code, unless otherwise specified in this act, the provisions of this act shall become operative on the same date that the act takes effect pursuant to the California Constitution.

SEC. 10. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order for the Public Utilities Commission and law enforcement authorities to address the problem of unauthorized and uninsured limousine operators who offer their services to the public as soon as possible, it is necessary that this act take effect immediately.

CHAPTER 110

An act to amend Section 31104.1 of the Public Resources Code, and to add Section 11.52 to the Budget Act of 1993 (Chapter 55 of the Statutes of 1993), relating to coastal resources, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 24, 1994. Filed with
Secretary of State June 27, 1994.]

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

SECTION 1. Section 31104.1 of the Public Resources Code is amended to read:

31104.1. The conservancy shall serve as a repository for lands whose reservation is required to meet the policies and objectives of the California Coastal Act of 1976 (Division 20 (commencing with Section 30000)), a certified local coastal plan or program, or the San Francisco Bay Plan as implemented by the San Francisco Bay Conservation and Development Commission pursuant to Title 7.2 (commencing with Section 66600) of the Government Code. Pursuant to that authority, the conservancy may accept dedication of fee title, easements, development rights, or other interests in lands, including interests required to provide public access to recreation and resources areas in the coastal zone.

SEC. 2. Section 11.52 is added to the Budget Act of 1993 (Chapter 55 of the Statutes of 1993), to read:

Sec. 11.52. The funds appropriated in Item 3760-301-730 (2) of the Budget Act of 1991 shall be available, pursuant to Section 5096.265, for capital outlay or local assistance without regard to the maximum amounts allocated to any element of the program specified in Section 5096.232 of the Public Resources Code.

SEC. 3. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to promote a system of safe and navigable waterways and to promote related commerce and trade at the earliest possible time, it is necessary that this act take effect immediately.

CHAPTER 111

An act relating to the City of Hesperia, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 24, 1994. Filed with
Secretary of State June 27, 1994.]

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

SECTION 1. (a) Notwithstanding Section 33375 or 33674 of the Health and Safety Code, any redevelopment project area formed in the City of Hesperia under the Community Redevelopment Law (Part 1 (commencing with Section 33000) of Division of 24 of the Health and Safety Code) shall be effective for the purposes of receiving the portion of taxes mentioned in subdivision (b) of Section 33670 of the Health and Safety Code for the 1994-95 fiscal year if all of the following are filed with the State Board of Equalization on or before June 30, 1994:

- (1) A description of the land within the project area.
 - (2) A statement that proceedings for the redevelopment of the project area have been instituted.
 - (3) A copy of the ordinance adopting the plan for the project area.
 - (4) A map indicating the boundaries of the project area.
- (b) (1) This section shall become inoperative on July 1, 1994. This section shall remain in effect only until January 1, 1995, and as of that date is repealed.

(2) Paragraph (1) shall not be construed to deprive the Hesperia Redevelopment Agency of any substantial right that would have existed had the inoperative date and repeal not been effected.

SEC. 2. The Legislature finds and declares that, because of the unique circumstances applicable to the City of Hesperia and set forth in Section 3, a statute of general applicability cannot be enacted within the meaning of subdivision (b) of Section 16 of Article IV of the California Constitution, and the enactment of this act is therefore necessary.

SEC. 3. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

Unless this act takes effect immediately, the Hesperia Redevelopment Agency will not be able to receive tax-increment allocations necessary to fund operations in its Project Area No. 1 for the 1994-95 fiscal year. These operations are necessary to provide public infrastructure improvements, the lack of which constituted a substantial basis for the adoption of the redevelopment plan for that project area.

CHAPTER 112

An act to add Sections 588 and 2112.5 to the Public Utilities Code, relating to public utilities.

[Approved by Governor June 24, 1994. Filed with
Secretary of State June 27, 1994.]

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

SECTION 1. Section 588 is added to the Public Utilities Code, to read:

588. (a) Notwithstanding any regulation, tariff, opinion, or interim opinion of the Public Utilities Commission, or any other provision of law, an inspector or investigator, as defined in Section 830.1 of the Penal Code, who is employed in the office of a district attorney may request and shall receive from telephone, gas, and electric public utilities customer information limited to the full name, date of birth, social security number, address, prior address, forwarding address, place of employment, and date of service instituted, terminated, or suspended by, utility customers to the extent the information is stored within the utility records and computer data bases. However, in no case shall information be released disclosing customer usage of the services provided by the utility without a court order or subpoena.

(b) In order to protect the privacy interest of utility customers, a request to a public utility for customer information pursuant to this section shall meet the following requirements:

(1) The requested information is relevant and material to an investigation pursuant to Sections 3130, 3131, 3132, 3133, and 3134 of the Family Code concerning the kidnapping, abduction, concealment, detention, or retention of a minor child and that the inspector or investigator requesting the information has a reasonable, good faith belief that the utility customer information is needed to assist the inspector or investigator in the location or recovery of a minor child or abductor, coconspirator or aider and abettor of the continuing crime of child abduction or concealment.

(2) Only inspectors and investigators as defined in Section 830.1 of the Penal Code, who are employed in the office of a district attorney whose names have been submitted to the utility in writing by a district attorney's office, may request and receive customer and customer service information pursuant to this section. Each district attorney's office shall ensure that each public utility has at all times a current list of the names of inspectors and investigators authorized to request and receive customer and customer service information. Each district attorney's office shall immediately notify the utility in writing and withdraw the names of inspectors and investigators from the authorized list who no longer have a need for the access.

(3) This section does not authorize inspectors and investigators to

obtain any utility customer information, other than that authorized by this section, without proper service of process as required by law.

(4) The district attorney's office requesting and receiving utility information shall ensure its confidentiality. At no time shall any information obtained pursuant to this section be disclosed or used for any purpose other than to assist in the location or recovery of a person or persons specified in paragraph (1).

(5) The inspector or investigator requesting utility information authorized for release by this section shall make a record on a form created and maintained by the district attorney's office, which shall include the name of the utility customer about whom the inquiry was made, the name of the inspector or investigator making the inquiry, the date of inquiry, the name of the utility, the utility employee to whom the request was made, and the information that was requested and received.

(6) The inspector or investigator requesting information pursuant to this section shall prepare and sign, under penalty of perjury, a written affidavit of probable cause, which shall be contained on a form created by the Attorney General's office in consultation with telephone, gas, and electric utilities. The form shall be retained by the utility for a period of one year and shall contain a statement of all the facts known to the inspector or investigator that support the existence of all of the requirements of this section. The affidavit shall also contain a statement of exigent circumstances, explaining why the inspector or investigator could not seek and obtain a search warrant, court order, or other court process for the production of the information sought.

(c) No public utility, or official or employee thereof, shall be subject to criminal or civil liability for the release of customer information in reasonable reliance on an affidavit appearing on its face to be valid, and which was submitted by a person whose name appears on the current authorization list, as required in paragraph (2) of subdivision (b). However, any person who willfully violates any provision of this section is guilty of a misdemeanor, pursuant to Section 2112.5.

(d) The utility receiving the request for customer information may charge the requesting district attorney's office a reasonable fee for the search and release of the requested information and for the storage of the required forms.

SEC. 2. Section 2112.5 is added to the Public Utilities Code, to read:

2112.5. Notwithstanding any other provision of law, any person who willfully violates the provisions of Section 588 is guilty of a misdemeanor, subject to a penalty of not less than five hundred dollars (\$500), nor more than two thousand dollars (\$2,000), for each offense.

SEC. 3. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs which may be incurred by a local agency or school district

will be incurred because this act creates a new crime or infraction, changes the definition of a crime or infraction, changes the penalty for a crime or infraction, or eliminates a crime or infraction. Notwithstanding Section 17580 of the Government Code, unless otherwise specified in this act, the provisions of this act shall become operative on the same date that the act takes effect pursuant to the California Constitution.

CHAPTER 113

An act relating to education, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 24, 1994. Filed with
Secretary of State June 27, 1994.]

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

SECTION 1. The Cerritos Community College District desires to continue using, until construction is completed of a new business education building, portable buildings consisting of eight trailers and one restroom trailer that may not conform to the so-called Field Act.

The community college district, in an effort to accommodate the increasing number of students attending the college, initially leased these portable buildings for a 24-month period in 1990. The district has renewed this lease through July of 1994 at a reduced price. The district declares that the buildings have been improved to include a ramp to accommodate access by handicapped persons and a new electrical transformer and that the buildings conform to the Department of Housing and Community Development building standards.

The Cerritos Community College District has included the construction of a new business education building in a Capital Outlay Project Budget Proposal for its 1994-95 budget. If the project is approved, it is anticipated that construction of the building will be completed in the fall of 1996.

SEC. 2. (a) Notwithstanding Section 81162 of the Education Code, the Cerritos Community College District may use the existing portable buildings described in Section 1 for classroom and related purposes from the effective date of this act until January 1, 1997, or until the completion of the business education building specified in Section 1, whichever occurs first. During the period of use authorized by this section, the portable buildings shall not be subject to Article 7 (commencing with Section 81130) of, or Article 8 (commencing with Section 81160) of, Chapter 1 of Part 49 of the Education Code.

(b) Subdivision (a) shall become operative only upon adoption of a resolution by the governing board of the Cerritos Community

College District whereby the district agrees to indemnify, defend, and hold harmless the State of California from any legal claims that may arise from the continued use of the portable buildings specified in subdivision (a).

SEC. 3. Due to the unique circumstances specified in Section 1 of this act concerning the Cerritos Community College District, the Legislature finds and declares that a general statute cannot be made applicable within the meaning of Section 16 of Article IV of the California Constitution.

SEC. 4. This act shall remain in effect only until January 1, 1997, and as of that date is repealed, unless a later enacted statute, which is enacted before January 1, 1997, deletes or extends that date.

SEC. 5. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to permit the Cerritos Community College District to use portable buildings that may not satisfy Field Act standards, so that its classes may be operated without interruption or delay, it is necessary that this act take effect immediately.

CHAPTER 114

An act to amend Sections 123, 143, 144, 146, 160, 170, 172, 182, 188, 189, 210, 212, 215, 223, 230, 252, 254, 255, 257, 258, 259, 262, 263, 266, 267, 268, 269, 270.01, 270.10, 270.29, 280, 289, 296, 297, 321, 322, 324, 325, 326, 342, 363, 364, 368, 372, 375, 391, 395, 395.04, 414, 416, 422, 450.1, 454, 455, 456, 463, 465, 467, 474, 513, 551, 552, 643.2, 648, 986.1, 986.3, 987.7, 987.17a, 987.60, 987.79, 1038, 1042, 1200, 1201, 1652, of the Military and Veterans Code, relating to the military and veterans.

[Approved by Governor June 24, 1994. Filed with
Secretary of State June 27, 1994.]

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

SECTION 1. Section 123 of the Military and Veterans Code is amended to read:

123. Whenever the Governor deems it necessary, he or she may order an enrollment to be made by officers designated by the Governor, of all persons liable to service in the militia. The enrollment shall include any information that the Governor may require. Three copies thereof shall be made: one copy shall be filed in the office of the clerk of the county in which the enrollment is made, and two copies in the office of the Adjutant General.

SEC. 2. Section 143 of the Military and Veterans Code is amended to read:

143. Whenever the Governor is satisfied that rebellion,

insurrection, tumult or riot exists in any part of the state or that the execution of civil or criminal process has been forcibly resisted by bodies of persons, or that any conspiracy or combination exists to resist by force the execution of process, or that the officers of any county or city are unable or have failed for any reason to enforce the laws, the Governor may, by proclamation, declare any part of the State of California or the county or city or any portion thereof to be in a state of insurrection, and he or she may thereupon order into the service of the state any number and description of the active militia, or unorganized militia, as he or she deems necessary, to serve for a term and under the command of any officer as he or she directs.

SEC. 3. Section 144 of the Military and Veterans Code is amended to read:

144. The Governor may at any time revoke a proclamation of insurrection or declare that it shall terminate at a time or in the manner that he or she directs.

SEC. 4. Section 146 of the Military and Veterans Code is amended to read:

146. The Governor may call into active service any portion of the active militia as may be necessary, and if the number available be insufficient, the Governor may call into active service any portion of the unorganized militia as may be necessary, in any of the following events:

(a) In case of war, insurrection, rebellion, invasion, tumult, riot, breach of the peace, public calamity or catastrophe, or other emergency, or imminent danger thereof, or resistance to the laws of this state or the United States.

(b) Upon call or requisition of the President of the United States.

(c) Upon call of any United States marshal in California, or upon call of any officer of the United States Army commanding an army, army area, or military administrative or tactical command including generally the State of California, or upon call of any officer of the United States Air Force commanding an air force, air defense force, air defense command or air command including generally the State of California.

(d) Upon call of the chief executive officer of any city or county, or of any justice of the Supreme Court, or of any judge of the superior court, or of any sheriff, setting forth that there is an unlawful or riotous assembly with intent to commit a felony, or to offer violence to person or property, or to resist the laws of the State of California or the United States or that there has occurred a public calamity or catastrophe requiring aid to the civil authorities.

(e) Upon call of the sheriff setting forth that the civil power of the county is not sufficient to enable the sheriff to execute process delivered to him or her.

SEC. 5. Section 160 of the Military and Veterans Code is amended to read:

160. The Adjutant General is chief of staff to the Governor, subordinate only to the Governor and is the commander of all state

military forces.

SEC. 6. Section 170 of the Military and Veterans Code is amended to read:

170. The seal now used in the Office of the Adjutant General is the seal of that office, and shall be delivered by the Adjutant General to his or her successor. All orders issued from the Office of the Adjutant General shall be authenticated with this seal. Any order or directive inadvertently or mistakenly made or entered in the Office of the Adjutant General may for good cause and a reasonable time be vacated and set aside by the Adjutant General and a proper and correct order or directive made and entered in lieu thereof.

SEC. 7. Section 172 of the Military and Veterans Code is amended to read:

172. The Adjutant General shall make a report to the Governor every fourth year, commencing in 1963, the report to include a statement of the moneys received and disbursed by the Adjutant General for military purposes, the number and condition of the active militia, and a history of the activities and developments of the Military Department during the preceding four years.

SEC. 8. Section 182 of the Military and Veterans Code is amended to read:

182. The Adjutant General shall keep a correct account of all expenses necessarily incurred, including pay of officers and enlisted men and women, subsistence of militia, transportation of the militia, and all military property of the state. Those expenses shall be audited and paid in the same manner as other military accounts are audited and paid.

SEC. 9. Section 188 of the Military and Veterans Code is amended to read:

188. In the event of a call to active duty in case of insurrection, invasion, tumult, riot, breach of the peace, public calamity or catastrophe, or other emergency, or imminent danger thereof, the Adjutant General, with the approval of the Governor, may secure all necessary supplies, equipment, meals, quarters, subsistence, transportation, medical, surgical, and hospital services, and dental and artificial devices for the officers and men and women called to active duty. Those purchases and services shall be exempt from the rules and regulations set forth in Chapter 2 (commencing with Section 10290) of Part 2 of Division 2 of the Public Contract Code. Claims for expenses thus incurred, when approved by the Adjutant General as purchases for the emergency, shall be deemed valid claims against appropriations for military purposes.

Except as otherwise provided in this act all claims shall be subject to the laws relating to state procurement of materials, supplies, equipment, and services pursuant to Chapter 2 (commencing with Section 10290) of Part 2 of Division 2 of the Public Contract Code.

SEC. 10. Section 189 of the Military and Veterans Code is amended to read:

189. The sum of three thousand dollars (\$3,000) appropriated by

Chapter 467, Statutes of 1913, for a cash revolving fund to facilitate the work of the Adjutant General's office, shall be hereafter held, continued, and used by the Adjutant General for that purpose. All or any part of the money may be drawn from the state treasury without the submission of receipts, vouchers, or itemized statements and may be used by the Adjutant General in advancing cash payments for ordnance, equipment, material, labor, supplies, and incidental expenses requiring cash payments in advance, where the payments are necessary for the proper operation of the militia. Any amounts shall be repaid out of the appropriation against which they are a proper charge, upon itemized claims accompanied by proper vouchers and receipts, and the money returned to the cash revolving fund.

The Adjutant General shall be liable on his or her bond for the money so advanced to the Adjutant General and may, to protect himself or herself, require sufficient bond of the several employees under the Adjutant General in case it should be necessary to delegate any of them to disburse money from the revolving fund. The Adjutant General shall account for the money herein appropriated at any time upon demand of the Department of Finance or the Controller.

SEC. 11. Section 210 of the Military and Veterans Code is amended to read:

210. The National Guard consists of:

(a) General officers.

(b) The several staff corps and departments prescribed in tables of organization of the United States Army or United States Air Force or tables of organization for the National Guard.

(c) The officers and enlisted men and women on the retired and the reserve lists.

(d) The organizations forming the National Guard and persons enlisted or commissioned therein.

SEC. 12. Section 212 of the Military and Veterans Code is amended to read:

212. The inactive National Guard shall consist of those organizations, officers, and enlisted men and women as are authorized and prescribed by the laws of the United States and regulations issued thereunder.

SEC. 13. Section 215 of the Military and Veterans Code is amended to read:

215. For all purposes under this code, commissioned officers, warrant officers and enlisted men and women of the California National Guard, California Air National Guard and California National Guard Reserve who have heretofore or hereafter performed service in the United States Army, United States Air Force, United States Navy, or any reserve component thereof shall be entitled to credit for time so served as if that service had been rendered in the state forces. Service in the state forces shall include all full-time active duty performed heretofore or hereafter either as

an enlisted man or woman, warrant officer or commissioned officer pursuant to any prior or present section or sections or provisions of this code. Federal law notwithstanding, in computing state service for retirement with pay under this authority, only full-time active service with the armed forces of the United States or any reserve component thereof shall be considered.

SEC. 14. Section 223 of the Military and Veterans Code is amended to read:

223. All officers, warrant officers, and enlisted men and women of the militia and all persons on duty with the militia shall give any bonds and security as may be required and within the time prescribed by the Adjutant General to secure the state against loss on account of misuse or misapplication of state or company property or funds or the property or funds of the United States in use by the State of California.

All bonds shall be conditioned upon the faithful performance of all duties and the accounting for all property and moneys, including organization funds, for which the obligee is responsible or accountable.

The Adjutant General may in lieu of the foregoing enter into an agreement conditioned in like terms and for the same purpose with a qualified surety company to bond all officers, warrant officers, and enlisted men and women of the militia, and all persons on duty with the militia without specifically naming them. The agreement shall also provide that the report and final action of military or naval authorities having jurisdiction for fixing responsibility for loss or damage shall be conclusive proof of the responsibility or liability of any officer, warrant officer, or enlisted man or woman in a suit brought to enforce the obligation of the bond.

The premiums on bonds shall be charged to those funds appropriated for the support of the militia as the Governor directs.

SEC. 15. Section 230 of the Military and Veterans Code is amended to read:

230. The Governor may detail, with their own consent, officers of the retired list to active duty and return them to the retired list in his or her discretion. Officers retired for age shall not be detailed to command troops but only to perform duties of staff corps or departments, or to sit on boards, except in time of war or other emergency, or imminent danger thereof, when retired officers may be detailed by the Governor, without their consent, to perform any military duty designated by the Governor.

SEC. 16. Section 252 of the Military and Veterans Code is amended to read:

252. Appointments of noncommissioned and petty officers shall conform to the tables of organization and to the rules and regulations prescribed by the United States for the government and administration of the National Guard. All noncommissioned and petty officers shall be appointed by the commanding officer of the division, brigade, regiment, separate battalion, squadron, marine

division, or similar organization, upon the recommendation of the commanding officer of the unit in which they are to serve. Noncommissioned and petty officers of separate companies, troops, batteries, detachments, and similar units, not forming part of an existing higher tactical organization, shall be appointed by the Adjutant General. When an examination is required by federal laws or regulations or by state regulations, no enlisted man or woman shall be appointed until he or she has successfully passed the examination.

SEC. 17. Section 254 of the Military and Veterans Code is amended to read:

254. Enlisted men and women may be transferred to or from organizations or units. Noncommissioned officers may be reduced one or more grades upon good cause appearing therefor. In transferring or reducing an enlisted man or woman or noncommissioned officer the procedure laid down in regulations for the National Guard shall be followed.

An order discharging a member of the militia may be vacated by the Adjutant General for good cause; provided, a certificate or other evidence of discharge has not been delivered to the discharged member.

SEC. 18. Section 255 of the Military and Veterans Code is amended to read:

255. Every enlisted man and woman who enters the National Guard or who is a member of the unorganized militia when called into the service of the state, may be provided by the state with a service or dress uniform, or both, corresponding in make and general appearance to the service or dress uniform of the United States Army.

SEC. 19. Section 257 of the Military and Veterans Code is amended to read:

257. When an enlisted man or woman of the National Guard is sixty-four years of age, he or she shall be retired from active service or discharged.

SEC. 20. Section 258 of the Military and Veterans Code is amended to read:

258. In time of war or other emergency or imminent danger thereof, the Governor may detail retired enlisted men and women to active duty and on conclusion of the emergency return them to the retired list.

SEC. 21. Section 259 of the Military and Veterans Code is amended to read:

259. Separation from service of an enlisted man or woman of the National Guard or the unorganized militia called into active service is effected by death or by discharge by proper authority.

SEC. 22. Section 262 of the Military and Veterans Code is amended to read:

262. An enlisted man or woman discharged from the National Guard or the unorganized militia when called or ordered into active service of the state shall receive a discharge in writing in a form and

with those qualifications as may be prescribed under the laws and regulations prescribed for the government of the National Guard by the United States and that are not inconsistent with this code. The certificates of discharge may be in the form of an honorable, a general, or undesirable discharge. Bad conduct and dishonorable discharges shall be awarded only by courts-martial as provided in this code.

SEC. 23. Section 263 of the Military and Veterans Code is amended to read:

263. When an enlisted man or woman of the National Guard or the unorganized militia called into active service is absent without leave and there is reason to believe that the enlisted man or woman does not intend to return; or quits his or her organization or place of duty with the intent to avoid hazardous duty or to shirk important service, that person is a deserter.

SEC. 24. Section 266 of the Military and Veterans Code is amended to read:

266. An enlisted man or woman who has been dropped as a deserter shall not be restored to duty without prior disposition of the charge of desertion standing against him or her. The charge shall be disposed of by trial by court-martial; by restoration to duty, desertion admitted, upon a written application of the soldier admitting the desertion; or by the setting aside of the charge of desertion in case it had been erroneously made.

SEC. 25. Section 267 of the Military and Veterans Code is amended to read:

267. A deserter shall not be restored to duty without trial except by the Governor or by an officer authorized to appoint a general court-martial. Restoration to duty without trial shall not remove the charge of desertion or relieve the enlisted man or woman from any of the forfeitures attached to that offense. Setting aside a charge of desertion as having been erroneously made shall remove the charge of desertion and all stoppages and forfeitures arising therefrom.

SEC. 26. Section 268 of the Military and Veterans Code is amended to read:

268. All time lost while absent without leave or in desertion, in excess of twenty-four hours, shall be made good unless the enlisted man or woman is sooner discharged by proper authority.

SEC. 27. Section 269 of the Military and Veterans Code is amended to read:

269. No enlisted man or woman who has been dishonorably discharged from the military or naval service of this state, or of another state, territory or district, or of the United States shall be permitted to enter again the military or naval service of this state without the approval of the Governor of this state.

SEC. 28. Section 270.01 of the Military and Veterans Code is amended to read:

270.01. (a) The Legislature finds and declares that the California National Guard exists to provide a military organization in California

with the capability to:

(1) Protect the lives and property of the people of the state during periods of natural disaster and civil disturbances.

(2) Perform other functions required by the California Military and Veterans Code or as directed by the Governor.

(3) Provide military units ready for federal mobilization.

(b) The Legislature further finds and declares that the California National Guard performs an essential public purpose in protecting the health, safety, and property of California's citizens; that in order to fulfill its objectives, it is necessary for the California National Guard to have sufficient human resources; and that the elimination of the military draft has had a negative impact on the California National Guard's ability to maintain an adequate strength level to meet its responsibilities, so that the Military Department is concerned that it may not be able to provide a sufficient number of persons to deal with natural or man-caused disasters and emergencies.

(c) It is, therefore, the intent of the Legislature that, to fulfill the public program of maintaining required strength in the California National Guard, an enlistment inducement should be provided by making low-interest farm and home loans available to members who serve the state faithfully for a period of at least one year of a regular enlistment period, since incentive programs such as this have been highly successful in other states and have resulted in substantially higher enlistment rates; and that, in addition, this type of program would enhance the concept of a volunteer armed service by granting a state benefit at no anticipated cost to the taxpayer.

(d) The Legislature further finds and declares that the enactment of this article serves a substantial public purpose and that members of the California National Guard are benefited only as an incident to the general public purpose intended by this article.

SEC. 29. Section 270.10 of the Military and Veterans Code is amended to read:

270.10. The department may acquire a farm or home from the owner thereof, or may contract with a member for the construction of a dwelling house and other improvements for a farm or home, upon the terms agreed if:

(a) The department is satisfied of the desirability of the property submitted.

(b) The member has agreed with the department that the member or the member's immediate family will actually reside on the property within 60 days from the date of purchase by the department or, if the residence on the property is not complete on the date of purchase, within 60 days after the residence is completed.

(c) The sum to be expended by the department pursuant to a contract for the construction of a dwelling house and other improvements does not exceed fifty-five thousand dollars (\$55,000) or, for members who qualify under subdivision (d) of Section 270.05, not to exceed seventy-five thousand dollars (\$75,000).

(d) Where the department is to contract with a member for the construction of a dwelling house and other buildings, or for the purchase of a mobilehome:

(1) The member is the owner in fee of the real property on which the dwelling house and other buildings are to be constructed, or is the owner in fee of the real property or the owner of an undivided interest in common in a portion of a parcel of real property on which a mobilehome is to be situated, and agrees to convey that property to the department without cost.

(2) The member has paid a reasonable fee set by the department to cover the cost of the preliminary service of the department necessary to process the application.

(3) The member has filed with the department adequate plans and specifications for the improvements to be constructed upon the real property, together with a contract, executed by a contractor licensed by the State of California, for the construction of the improvements in accordance with the plans and specifications within eight months after the acquisition of the real property by the department, and a bond, that is executed by a surety company authorized to do business in the State of California, obtained by the contractor providing for compliance with the terms of the contract and for the payment of materialmen and labor furnishing material or labor on the jobs.

(4) The plans, specifications, contract, and bond are approved by the department.

(5) The member has placed in escrow all sums of money to be advanced by him or her where the cost is in excess of the maximum that may be expended by the department.

As used in this section, "immediate family" includes only the following:

Spouse, children, either natural or adoptive; and the parents if they are dependent upon the member for 50 percent or more of their support.

SEC. 30. Section 270.29 of the Military and Veterans Code is amended to read:

270.29. The department may, in the contract of purchase with a member provide that, in the event of default by the member and forfeiture of the member's rights under the contract and subsequent sale of the property by the department, it may pay to the member any net gain realized by the department upon the sale. The department is the sole judge of the net gain.

SEC. 31. Section 280 of the Military and Veterans Code is amended to read:

280. Except where this chapter is inconsistent therewith, Chapter 3 (commencing with Section 210) of Part 1 of Division 2 is hereby incorporated by reference in this chapter and those provisions shall apply to the Naval Militia and the officers and enlisted men and women thereof with the same force and effect as if the provisions were set out in detail in this chapter.

In applying Chapter 3 (commencing with Section 210) of Part 1 of Division 2 to this chapter, the term "Naval Militia" shall be substituted for the term "National Guard" and the term "Navy Department" for the term "War Department."

SEC. 32. Section 289 of the Military and Veterans Code is amended to read:

289. The officers, chief warrant officers, warrant officers, and enlisted men or women of the Naval Militia shall be of any amount and grades prescribed by the Governor and shall be of the same number and grades as are authorized or prescribed by the laws and regulations of the United States for similar organizations of the United States Navy or as authorized or prescribed by the laws and regulations of the Navy Department for the Naval Militia.

SEC. 33. Section 296 of the Military and Veterans Code is amended to read:

296. Every enlisted man or woman who enters the Naval Militia may be provided by the state with a service or dress uniform, or both, corresponding in make and appearance to the service or dress uniform of the United States Navy.

SEC. 34. Section 297 of the Military and Veterans Code is amended to read:

297. In a locality where there are insufficient persons available to form an engineer division and there already exists an organized deck division, men and women of the artificer branch may be additionally enrolled in the deck division with those ratings as they may be qualified to fill, until there is a sufficient number of them to form a separate engineer division. Any men and women in the artificer branch may be rated in the various petty officers' ratings in the artificer branch of the naval service that they are qualified to fill. In a locality where there are insufficient persons available to form a marine company and there is already existing in that locality a deck division of the Naval Militia, a marine section may be organized with one officer and not less than twenty enlisted marines.

SEC. 35. Section 321 of the Military and Veterans Code is amended to read:

321. Enlisted men and women, while on active duty in the service of the state, shall receive the same pay and allowances as enlisted men and women of similar grade in the United States Army, United States Air Force, and United States Navy, except that enlisted men and women in the pay grade of E1 through E4 ordered to active duty pursuant to Section 143 or 146, while on active duty, shall receive not less than the minimum daily rate of pay applicable to a pay grade of E5 in the active military service of the United States. It is the intent of the Legislature that the foregoing minimum payments to enlisted men and women in the pay grade of E1 through E4 may be paid from the State Emergency Fund when, in the judgment of the Director of Finance, there is a case of actual necessity for which no appropriation has been made. All full-time active duty previously or hereafter performed in the service of the state shall be credited for

purposes of determining longevity and service within the provisions of this section and Section 340.

SEC. 36. Section 322 of the Military and Veterans Code is amended to read:

322. Officers, warrant officers and enlisted men and women on active duty in the service of the State of California, except in situations described in Section 188 of this code, shall be reimbursed for their necessary traveling and other expenses in accordance with the rules and regulations adopted by the State Board of Control.

SEC. 37. Section 324 of the Military and Veterans Code is amended to read:

324. Whenever an officer of the National Guard or Naval Militia is detailed for special duty in any matter relating to the National Guard or Naval Militia, by order of the Governor, that officer shall be allowed the same pay and allowances as officers of similar grade in the United States Army and United States Navy and actual traveling expenses. An enlisted man or woman similarly detailed shall be allowed the same pay and allowances as enlisted men and women of similar grade in the United States Army and United States Navy and actual traveling expenses, except that family allowances shall not be allowed to those enlisted men and women. An officer of the National Guard or Naval Militia may, with his or her consent, be detailed for special duty without expense to the state, except and provided, however, the officer may be paid actual traveling expenses. An officer of the National Guard or Naval Militia may, with his or her consent, be detailed for duty and may be paid compensation in a grade lower than the officer actually holds provided the officer voluntarily waives all compensation in excess of the lower grade.

If not inconsistent with the performance of required military duty, members of the National Guard may perform emergency services as defined in Section 18531 of the Government Code, and as provided in Section 19888 of the Government Code, and shall receive as compensation therefore the going wages paid for similar service at or near the place of performance.

SEC. 38. Section 325 of the Military and Veterans Code is amended to read:

325. Whenever an officer or enlisted man or woman of the United States Army or United States Navy or United States Air Force, detailed by the Department of the Army or the Department of the Navy or the Department of the Air Force for service with the National Guard or Naval Militia, is detailed by the Governor for special duty or requested to perform any duty involving travel not specially directed by the Department of the Army or the Department of the Navy or the Department of the Air Force, the officer or enlisted man or woman shall be allowed his or her actual traveling expenses, but no per diem.

SEC. 39. Section 326 of the Military and Veterans Code is amended to read:

326. Commissioned officers, warrant officers and enlisted men and women and former commissioned officers, warrant officers and enlisted men and women of the United States Army, United States Air Force, United States Navy, or any reserve component thereof, California National Guard, State Military Reserve, California National Guard Reserve, California Defense and Security Corps, California State Guard, California Reserve and Retired List or the active militia, may, with his or her consent, be detailed for active duty with a security section which the Adjutant General is hereby authorized to maintain in his or her office. A commissioned officer, warrant officer or enlisted man or woman who is detailed for duty as provided in this section may be paid compensation in any grade or rank lower than the person actually holds provided the commissioned officer, warrant officer or enlisted man or woman voluntarily waives all compensation in excess of the lower grade or rank.

SEC. 40. Section 342 of the Military and Veterans Code is amended to read:

342. The appeals board is empowered to hear and determine all issues concerning any obligation of the State of California to provide to any officer, warrant officer, or enlisted man or woman on active duty with the Office of the Adjutant General any rights or benefits provided in Section 3, Public Law 108, Chapter 225, 81st Congress, First Session, and any and all issues arising under or in connection with that law. In doing so, the appeals board shall follow the same procedures in all respects as are provided in Division 4 (commencing with Section 3200) of the Labor Code for the determination of workers' compensation claims. The orders, decisions, and awards of the appeals board issued in exercising this jurisdiction are subject to review and rehearing in the manner provided in Sections 5900 to 5956, inclusive, of the Labor Code.

SEC. 41. Section 363 of the Military and Veterans Code is amended to read:

363. Every officer and enlisted man or woman shall be responsible to the officer under whose immediate command he or she serves for prompt and unhesitating obedience to lawful orders, faithful performance of duty, and the preservation and proper use of the property in his or her possession that belongs to the United States, the State of California, or the appropriate military organization. Each officer and enlisted man or woman shall at all times, without equivocation, obey the lawful orders of his or her superior officers.

SEC. 42. Section 364 of the Military and Veterans Code is amended to read:

364. Any officer or enlisted man or woman of the National Guard or Naval Militia who willfully fails to attend any parade or encampment, or who neglects or refuses to obey the lawful command of his or her superior officer on any day of parade or encampment, or who fails to perform any military duty that may be

lawfully required of him or her, or who uses disrespectful language toward his or her superior officer or commits any act of insubordination, is guilty of a misdemeanor.

SEC. 43. Section 368 of the Military and Veterans Code is amended to read:

368. Each company, troop, squadron, battery, detachment, and unit shall assemble for drill and instruction, including indoor target practice, not less than forty-eight times each year unless excused by the Governor or other competent authority, and shall in addition thereto participate in encampments, maneuvers, or other exercises, including outdoor target practice, for at least fifteen consecutive days in each year unless excused by competent authority.

In addition to those drills and periods of duty above specified the commanding officer of any unit may require the officers and enlisted men and women of his or her command to meet for parade, drill, and instruction at the times and places as he or she may appoint.

SEC. 44. Section 372 of the Military and Veterans Code is amended to read:

372. Officers and enlisted men and women may be warned for duty by stating the substance of the order, by reading the order to the person warned, by delivering a copy of the order to that person, by leaving a copy of the order at the last known place of abode or business of that person with some person of the age of discretion, or by sending a copy of the order or its substance to that person by registered mail directed to the enlisted man or woman at his or her last known place of abode or business or to the post office nearest thereto.

In addition to or in lieu of the foregoing, notice may be given by posting a copy of the order at the entrance to the nearest post office to the military or naval headquarters issuing the order, at the entrances of the city hall or county courthouse of the city or county where the headquarters are located, and by causing a copy of the warning order to be published in a newspaper of general circulation in that county.

SEC. 45. Section 375 of the Military and Veterans Code is amended to read:

375. Officers and enlisted men and women of the active militia not in the service of the United States shall be subject to and governed by this code while outside this state under the order or authorization of the Governor under Section 142 in like manner and to the same extent as when on duty within this state under orders of the Governor. Military courts may be convened and held outside the state with the same jurisdiction and power of punishment as if held within the state. Offenses and delinquencies committed outside the state may be tried and punished either within or without the state after the termination of the duty.

SEC. 46. Section 391 of the Military and Veterans Code is amended to read:

391. Every member of the active militia shall be exempt from

road tax and head tax of every description, from jury duty (including service on coroners' juries) except that members of the National Guard who are not on active duty shall not be exempt from jury duty in any noncriminal proceeding, and from service on any posse comitatus, if the member furnishes the certificate of his or her immediate commanding officer that the member has performed the duties required of him or her for the year immediately preceding a summons to act as juror or during the period of the member's service if less than one year.

SEC. 47. Section 395 of the Military and Veterans Code is amended to read:

395. Any public employee who is a member of the reserve corps of the armed forces of the United States or of the National Guard or the Naval Militia shall be entitled to a temporary military leave of absence as provided by federal law while engaged in military duty ordered for purposes of active military training, encampment, naval cruises, special exercises or like activity, providing that the period of ordered duty does not exceed 180 calendar days, including time involved in going to and returning from that duty, and provided that paid military leave of absence is not required for periods of inactive military duty.

The employee shall have an absolute right to be restored to the former office or position and status formerly had by him or her in the same locality and in the same office, board, commission, agency, or institution of the public agency upon the termination of temporary military duty. If the office or position has been abolished or otherwise has ceased to exist during his or her absence, he or she shall be reinstated to a position of like seniority, status, and pay if a position exists, or if no position exists the employee shall have the same rights and privileges that he or she would have had if he or she had occupied the position when it ceased to exist and had not taken temporary military leave of absence.

Any public employee who has been in the service of the public agency from which the leave is taken for a period of not less than one year immediately prior to the date upon which a temporary military leave of absence begins, shall receive the same vacation, sick leave, and holiday privileges and the same rights and privileges to promotion, continuance in office, employment, reappointment to office, or reemployment that the employee would have enjoyed had he or she not been absent therefrom; excepting that an uncompleted probationary period, if any, in the public agency, must be completed upon reinstatement as provided by law or rule of the agency. For the purposes of this section, in determining the one year of service in a public agency all service of the employee in recognized military service shall be counted as public agency service.

If this section is in conflict with a memorandum of understanding reached pursuant to Chapter 12 (commencing with Section 3560) of Division 4 of Title 1 of the Government Code, the memorandum of understanding shall be controlling without further legislative action,

except that if the memorandum of understanding requires the expenditure of funds, it shall not become effective unless approved by the Legislature in the annual Budget Act.

SEC. 48. Section 395.04 of the Military and Veterans Code is amended to read:

395.04. During the time that as an officer or enlisted man or woman of the California National Guard, who is on full-time active duty in the military service of the state, and is engaged, with the approval of the Adjutant General, in the military service of the state in attendance at drills, camps, or special exercises, sponsored by federal authority or by the War Department, as a member of the National Guard of the United States, he or she shall receive salary, pay, and compensation as provided in Sections 320 and 321 of this code.

SEC. 49. Section 414 of the Military and Veterans Code is amended to read:

414. Every officer and enlisted man or woman to whom public property has been issued shall be personally responsible to the state for that property. No one shall be relieved from this responsibility, unless it is shown, to the satisfaction of the Governor, that the loss or destruction of the property was unavoidable and in no way the fault of the person responsible for the loss. In all other cases the value of the property lost or destroyed, in the amount determined by a surveying officer or a board as herein provided, shall be charged against the person at fault or, with the concurrence of the appropriate commanding officer, against the command to or for which it had been issued, and if not relieved from the charge by the Governor, there shall be an indebtedness from that person or command to the state.

SEC. 50. Section 416 of the Military and Veterans Code is amended to read:

416. Where the amount determined by a board, as provided in Section 415, as the value of lost, damaged, or destroyed property is charged to a person, it shall be deducted from any pay or allowance due or to become due to him or her from the state. Money due to the state for any reason, with or without the action of a board, from a member of the active militia, a member of the unorganized militia when called for active duty, or any civilian employee of the Office of the Adjutant General shall be deducted or withheld from any money due or to become due that member or civilian employee from the state, including any pay and allowances payable pursuant to Article 1 (commencing with Section 320) of Chapter 5 of Part 1 of Division 2. Where the amount is charged to a command, it shall be deducted one-half in successive calendar years from any allowance or money due or to become due to it from the state, except that on the disbandment of a command any indebtedness then existing and any indebtedness as may be charged to it upon a final settlement of property accounts shall, as soon as determined, be paid out of its military funds or unexpended appropriations.

An action may be maintained in the name of the people of the state in any court of competent jurisdiction by the Attorney General, upon request of the Adjutant General, to recover from a member of the active militia, a member of the unorganized militia when called for active duty, or any civilian employee of the Office of the Adjutant General or his sureties any indebtedness to the state remaining unpaid upon final determination of the indebtedness.

SEC. 51. Section 422 of the Military and Veterans Code is amended to read:

422. Any person other than an officer, warrant officer, or enlisted man or woman of the California National Guard, or of the unorganized militia when called into the service of the state or of the State Military Reserve or who may be appointed under Section 141 or who may be authorized by Sections 502, 502.1, or 502.2 or who may be a member of the Naval Militia of this state, or who may be a member of the military forces of another state or of the United States Army, United States Air Force, United States Navy, United States Marine Corps, United States Coast Guard Service or United States or State Forest Service, or personnel of the Department of Fish and Game, or members of the Department of the California Highway Patrol, or an inmate of any veterans' or soldiers' home, or other person authorized by the laws of the United States or of this state, who at any time wears the uniform of the United States Army, United States Air Force, or United States Navy, or of the armed forces of the United States or any organization thereof, or National Guard or Naval Militia, or any part of that uniform, or a uniform or part of a uniform similar thereto, is guilty of a misdemeanor and is punishable by a fine of not less than one hundred dollars (\$100) nor more than five hundred dollars (\$500), or by imprisonment in the county jail not exceeding 60 days, or by both.

SEC. 52. Section 450.1 of the Military and Veterans Code is amended to read:

450.1. (a) Under regulations as the Governor may prescribe, and under any additional regulations as may be prescribed by the Adjutant General, limitations may be placed on the powers granted by this section with respect to the kind and amount of punishment authorized, the categories of commanding officers and warrant officers exercising command authorized to exercise those powers, the applicability of this section to an accused who demands trial by court-martial, and the kinds of courts-martial to which the case may be referred upon that demand. Except in the case of the imposition of fines upon officers and warrant officers, punishment may not be imposed upon any member of the California National Guard under this section if the member has, before the imposition of punishment, demanded trial by court-martial in lieu of punishment. Under similar regulations, rules may be prescribed with respect to the suspension of punishments authorized hereunder. If authorized by regulations of the Adjutant General, a commanding officer who under the Uniform Code of Military Justice would exercise general

court-martial jurisdiction or an officer of general rank in command may delegate his or her powers under this section to a principal assistant.

(b) Subject to subdivision (a), any commanding officer may, in addition to or in lieu of admonition or reprimand, impose one or more of the following disciplinary punishments for minor offenses without the intervention of a court-martial:

(1) Upon officers of his or her command:

(A) Restriction to certain specified limits, with or without suspension from duty, for not more than 30 consecutive days.

(B) If imposed by an officer who under the Uniform Code of Military Justice would exercise general court-martial jurisdiction or an officer of general rank in command:

(i) Arrest in quarters for not more than 30 consecutive days.

(ii) Impose a fine of not more than 15 days' pay per month for two months.

(iii) Restriction to certain specified limits with or without suspension from duty for not more than 60 consecutive days.

(iv) Detention of not more than 15 days' pay per month for three months.

(2) Upon other personnel of his or her command:

(A) Correctional custody for not more than seven consecutive days.

(B) Impose a fine of not more than seven days' pay.

(C) Reduction to the next inferior pay grade, if the grade from which demoted is within the promotion authority of the officer imposing the reduction or any officer subordinate to the one who imposes the reduction.

(D) Extra duties, including fatigue or other duties, for not more than 14 consecutive days.

(E) Restriction to certain specified limits, with or without suspension from duty, for not more than 14 consecutive days.

(F) Detention of not more than 14 days' pay.

(G) If imposed by an officer of the grade of major or above:

(i) Correctional custody for not more than 30 consecutive days.

(ii) Impose a fine of not more than 15 days' pay per month for two months.

(iii) Reduction to the lowest or any intermediate pay grade, if the grade from which demoted is within the promotion authority of the officer imposing the reduction or any officer subordinate to the one who imposes the reduction, but an enlisted member in a pay grade above E-4 may not be reduced more than two pay grades.

(iv) Extra duties, including fatigue or other duties, for not more than 45 consecutive days.

(v) Restrictions to certain specified limits, with or without suspension from duty, for not more than 60 consecutive days.

(vi) Detention of not more than 15 days' pay per month for three months.

The punishments heretofore prescribed by subdivision (b) (1) A,

B(i) and (iii) and subdivision (b) (2) A, D, E, G(i), (iv) and (v) hereof may be imposed only during annual active duty for training or active state service, except that extra duties may be imposed upon enlisted men and women while in armory drill status for two hours (to be completed not later than 2400 hours) for two consecutive drills.

Detention of pay shall be for a stated period of not more than one year but if the offender's term of service expires earlier, the detention shall terminate upon that expiration. No two or more of the punishments of arrest in quarters, correctional custody, extra duties, and restriction may be combined to run consecutively in the maximum amount imposable for each. Whenever any of those punishments are combined to run consecutively, there shall be an apportionment. In addition, forfeiture of pay may not be combined with detention of pay without an apportionment. For the purposes of this subdivision, "correctional custody" means the physical restraint of a person during duty or nonduty hours and may include extra duties, fatigue duties, or hard labor. If practicable, correctional custody shall not be served in immediate association with persons awaiting trial or held in confinement pursuant to trial by court-martial.

(c) An officer in charge may impose upon enlisted members assigned to the unit of which he or she is in charge any of the punishments authorized under subdivision (b) (2) (A) to (G), inclusive, as the Adjutant General may specifically prescribe by regulation.

(d) The officer who imposes the punishment authorized in subdivision (b), or his or her successor in command, may, at any time, suspend probationally any part or amount of the unexecuted punishment imposed and may suspend probationally a reduction in grade or a fine imposed under subdivision (b), whether or not executed. In addition, the officer may, at any time, remit or mitigate any part or amount of the unexecuted punishment imposed and may set aside in whole or in part the punishment, whether executed or unexecuted, and restore all rights, privileges, and property affected. The officer may also mitigate reduction in grade to a fine or detention of pay. When mitigating:

- (1) arrest in quarters to restriction;
- (2) correctional custody to extra duties or restriction, or both;

or

- (3) extra duties to restriction;

the mitigated punishment shall not be for a greater period than the punishment mitigated. When mitigating a fine to detention of pay, the amount of the detention shall not be greater than the amount of the fine. When mitigating reduction in grade to a fine or detention of pay, the amount of the fine or detention shall not be greater than the amount that could have been imposed initially under this article by the officer who imposed the punishment mitigated.

(e) A person punished under this section who considers his or her

punishment unjust or disproportionate to the offense may, through the proper channel, appeal to the next superior authority. The appeal shall be promptly forwarded and decided, but the person punished may in the meantime be required to undergo the punishment adjudged. The superior authority may exercise the same powers with respect to the punishment imposed as may be exercised under subdivision (d) by the officer who imposed the punishment. Before acting on an appeal from a punishment of:

- (1) arrest in quarters for more than seven days;
- (2) correctional custody for more than seven days;
- (3) a fine of more than seven days' pay;
- (4) reduction of one or more pay grades from the fourth or a higher pay grade;
- (5) extra duties for more than 14 days;
- (6) restriction for more than 14 days; or
- (7) detention of more than 14 days' pay;

the authority who is to act on the appeal shall refer the case to a judge advocate of the California National Guard for consideration and advice, and may so refer the case upon appeal from any punishment imposed under subdivision (b).

(f) The imposition and enforcement of disciplinary punishment under this section for any act or omission is not a bar to trial by court-martial for a serious crime or offense growing out of the same act or omission, and not properly punishable under this section; but the fact that a disciplinary punishment has been enforced may be shown by the accused upon trial, and when so shown shall be considered in determining the measure of punishment to be adjudged in the event of a finding of guilty.

(g) The Adjutant General may, by regulation, prescribe the form of records to be kept of proceedings under this article and may also prescribe that certain categories of those proceedings shall be in writing.

SEC. 53. Section 454 of the Military and Veterans Code is amended to read:

454. Summary courts-martial may be appointed by the commanding officer of a garrison, fort, post, camp, or other place where troops are on duty, regiment, detached battalion, detached company, or other detachment; but those summary courts-martial may in any case be appointed by superior authority when by the latter deemed desirable: Except when only one officer is present with a command, he or she shall be the summary courts-martial of that command and shall hear and determine cases brought before him or her. After final action by the reviewing authority an authenticated copy of the completed charge sheet shall be filed in the office of the Adjutant General.

SEC. 54. Section 455 of the Military and Veterans Code is amended to read:

455. Courts of inquiry shall consist of at least three members and may be ordered by the Governor to examine into the nature of any

transaction of or accusation or imputation against any officer or enlisted man or woman. The courts shall not be ordered except upon the request of the officer concerned or whose conduct is to be inquired into or upon the request of the enlisted man or woman concerned.

The members of the court may be officers or qualified enlisted men or women, and the court may include both officers and qualified enlisted men or women.

The practice and procedure of the court of inquiry shall be in accordance with the Articles of War and like tribunals appointed for similar purposes in the United States Army, United States Air Force, and United States Navy. The court shall, without delay, report to the officer ordering it, the evidence adduced, a statement of the facts, and, when required, an opinion thereon.

Boards for conducting investigations and investigating officers may be appointed in accordance with the rules and regulations adopted for the appointment of similar boards and officers in the United States Army, United States Air Force, and United States Navy.

SEC. 55. Section 456 of the Military and Veterans Code is amended to read:

456. General courts-martial have power:

(a) To try:

(1) Commissioned officers, warrant officers, and enlisted men and women of the National Guard.

(2) Commissioned officers, warrant officers, and enlisted men and women of the unorganized militia whenever they are called out for service of the state.

(b) To adjudge:

(1) Dismissal, in the case of a commissioned or warrant officer.

(2) Dishonorable discharge, in the case of an enlisted man or woman.

(3) Bad-conduct discharge, in the case of an enlisted man or woman.

(4) Reduction to the ranks, in the case of enlisted men and women of the fourth enlisted pay grade or below. Reduction to next inferior grade in the case of enlisted men and women above the fourth enlisted pay grade.

(5) Forfeiture of pay and allowances.

(6) Fine not exceeding two hundred dollars (\$200).

(7) Confinement not exceeding 200 days.

(8) Fine and confinement, the total of the number of dollars of fine and number of days of confinement not to exceed 200.

(9) Reprimand.

SEC. 56. Section 463 of the Military and Veterans Code is amended to read:

463. Military courts may issue all process and mandates, including writs and warrants, necessary and proper to carry into full effect the powers vested in those courts. Process or mandates may be directed

to the sheriff of any county, any peace officer, the police of any city and the constables and marshals of any town or city, or to any officer or enlisted man or woman appointed by the court to serve or execute process or mandates. All officers to whom process or mandates are directed shall execute the process or mandates and make return of their acts thereunder according to the requirements thereof.

SEC. 57. Section 465 of the Military and Veterans Code is amended to read:

465. Presidents of courts-martial, one-officer special courts-martial, and summary court officers shall have power to issue warrants to arrest an accused person and to bring him or her before the court for trial. A court shall be ordered for his or her trial within the time similarly prescribed by the rules and regulations of the United States Army. If a copy of the charges and specifications is not served, or a court is not ordered within the time herein limited, the arrest shall cease, but the charges and specifications may be served, a court ordered, and the officer or enlisted man or woman be brought to trial after the release from arrest within the time prescribed by the rules and regulations of the United States Army in similar circumstances. The appearance of the accused, without objection and pleading to the charges, shall be a waiver of any defect or irregularity of service of any of the papers mentioned in this section.

SEC. 58. Section 467 of the Military and Veterans Code is amended to read:

467. For the purpose of collecting fines or penalties imposed by a court-martial, the president of any general or special court-martial and the summary court officer of any summary court shall make a list of all fines and penalties and of the persons against whom they have been imposed, and may thereafter issue a warrant under his or her hand directed to any sheriff, marshal, or constable of the county, commanding him or her to levy and collect the fines and penalties, together with the costs, upon and out of the property of the person against whom the fine or penalty is imposed. The warrant shall be executed and renewed in the same manner as executions from the justices' courts.

All fines collected under this section or imposed and collected under Section 450.1 shall be paid by the officer collecting them to the commanding officer of the organization of which the person fined is or was a member and shall be deposited by the commanding officer into the General Fund.

SEC. 59. Section 474 of the Military and Veterans Code is amended to read:

474. The Adjutant General, under procedures established by him or her and approved by the Governor, and acting through a board of officers appointed by the Adjutant General, may correct any military record of a member of the California National Guard when he or she considers it necessary to correct an error or remove an injustice.

SEC. 60. Section 513 of the Military and Veterans Code is amended to read:

513. The Adjutant General may detail from the organizations of the National Guard, State Military Reserve, or Naval Militia, competent members thereof who shall perform duties on behalf of the California Cadet Corps as may be assigned to them or who shall act as training and rifle practice instructors for the California Cadet Corps. The Adjutant General may provide for compensating the persons detailed for duty and service with the California Cadet Corps and the persons detailed to instruct the cadets in drill and target practice. The expenditures therefor may be paid out of the moneys appropriated for the maintenance of the California Cadet Corps. The Adjutant General may conduct schools and conferences for the officers of the California Cadet Corps and pay the expenditures thereof out of moneys appropriated for the maintenance of the California Cadet Corps. The Adjutant General may adopt rules and regulations providing for the promotion of officers of the California Cadet Corps.

SEC. 61. Section 551 of the Military and Veterans Code is amended to read:

551. The Governor is hereby authorized to prescribe rules and regulations not inconsistent with the provisions of this chapter governing the enlistment, organization, administration, equipment, maintenance, training, and discipline of forces. The rules and regulations, insofar as the Governor deems practicable and desirable, shall conform to existing law governing and pertaining to the National Guard and the rules and regulations adopted thereunder and shall prohibit the acceptance of gifts, donations, gratuities, or anything of value by those forces or any member of those forces from any individual, firm, association, or corporation by reason of that membership. Section 167 shall at no time apply to the forces herein authorized except that all officers, warrant officers, and enlisted men and women on active duty with the Office of the Adjutant General shall be appointed by the Governor, with consideration of the recommendation of the Adjutant General. All officers, warrant officers and enlisted men and women on active duty under Section 167 who are ordered into federal service by federal authority during the emergency or who are ordered by state authority to perform duty with the forces herein authorized shall not thereby lose the rights and privileges provided in Section 167 and shall be restored to those rights and privileges upon completion of that service or duty.

Members of the California National Guard not ordered to federal service or who are not required to perform federal service or who have been deferred from federal duty may perform service as members of the California National Guard on state active duty on behalf of the forces herein authorized and may be compensated as provided in Sections 320 and 321.

SEC. 62. Section 552 of the Military and Veterans Code is amended to read:

552. Officers and warrant officers of the forces herein authorized on active duty in the service of the state shall receive the same pay and allowances as officers of similar grade in the Army of the United States.

An officer, warrant officer or enlisted man or woman of the forces herein authorized may, with his or her consent, be detailed for duty and may be paid compensation in any grade lower than the officer, warrant officer, or enlisted man or woman actually holds; provided, the officer, warrant officer or enlisted man or woman voluntarily waives all compensation in excess of the lower grade in which he or she is detailed to duty.

Whenever an officer or warrant officer of the forces herein authorized is detailed for special duty in any matter relating to those forces, by order of the Governor, he or she shall be allowed the same pay and allowances as officers or warrant officers of similar grade in the Army of the United States and actual traveling expenses. An enlisted man or woman similarly detailed shall be allowed the same pay and allowances as enlisted men and women of similar grade in the Army of the United States and actual traveling expenses, except that family allowances shall not be allowed those enlisted men and women. An officer, warrant officer or enlisted man or woman of the forces herein authorized may, with his or her consent, be detailed for special duty without expense to the state, except and provided, however, he or she may be paid his or her actual traveling expenses.

In addition to the pay and allowances authorized in this code, personnel of the forces created herein having administrative functions connected therewith may be paid not more than twenty dollars (\$20) per month for the performance of those duties according to rules and regulations adopted by the Adjutant General.

All enlistments of members of the active militia may be extended by the Adjutant General if necessary during the existence of a national emergency.

SEC. 63. Section 643.2 of the Military and Veterans Code is amended to read:

643.2. A good conduct medal may be presented to each person who, while an enlisted member of the California National Guard, State Military Reserve, or Naval Militia, has demonstrated fidelity through faithful and exact performance of duty, efficiency through capacity to produce desired results, and whose behavior has demonstrated that he or she deserves emulation.

SEC. 64. Section 648 of the Military and Veterans Code is amended to read:

648. Decorations authorized by this code and decorations, medals, badges, ribbons, and insignia authorized by the laws or regulations of the United States pertaining to the National Guard, Air National Guard, and Naval Militia may be worn by officers, warrant officers, and enlisted men and women in accordance with the code, laws, or regulations. However, decorations awarded by other states and territories of the United States may be worn, but shall be

subordinated to those issued by federal and state laws or regulations. No other decorations, medals, badges, ribbons, or insignia may be worn. A violation of this section shall constitute a misdemeanor.

SEC. 65. Section 986.1 of the Military and Veterans Code is amended to read:

986.1. (a) If a veteran dies after filing an application for a farm or a home, and the application setting forth the veteran's eligibility and qualifications is subsequently approved, his or her surviving spouse may, in the discretion of the department, succeed to the veteran's rights under the application, and may be entitled to the rights, privileges, and benefits under this article that would have been the veteran's, but for his or her death. The contract of purchase that the department otherwise would have made with the veteran may be made with his or her surviving spouse.

(b) If a person was a member of the armed forces on active military duty, entered active duty while in the State of California and lived in this state for six months immediately preceding entry into active duty and was killed in line of duty while on active duty, he or she shall be considered to be a "veteran" for the purposes of this article, and his or her unremarried surviving spouse may file an application, may be entitled to the same rights, privileges and benefits and may contract with the department as provided in the case of a surviving spouse under subdivision (a).

(c) If a member of the armed forces entered active military duty while in the State of California, and lived in this state for six months immediately preceding entry into active duty, and is being held as a prisoner of war or has been designated by the armed forces as missing in action, he or she shall be considered to be a "veteran" for the purposes of this article, and his or her surviving spouse may file an application, may be entitled to the same rights, privileges, and benefits, and may contract with the department as provided in the case of a surviving spouse under subdivision (a).

SEC. 66. Section 986.3 of the Military and Veterans Code is amended to read:

986.3. The department may acquire a farm or home from the owner thereof or may contract with a veteran for the construction of a dwelling house and other improvements for a farm or home, upon the terms agreed if:

(a) The department is satisfied of the desirability of the property submitted.

(b) The veteran has agreed with the department that the veteran or members of his or her immediate family will actually reside on the property within 60 days from the day of purchase by the department, or if the residence on the property is not complete on the date of purchase, within 60 days after the residence is completed.

(c) The sum to be expended by the department pursuant to a contract for the construction of a dwelling house and other improvements does not exceed twenty-five thousand dollars (\$25,000).

(d) Where the department is to contract with a veteran for the construction of a dwelling house and other buildings, or for the purchase of a mobilehome:

(1) The veteran is the owner in fee of the real property on which the dwelling house and other buildings are to be constructed, or is the owner in fee of the real property or the owner of an undivided interest in common in a portion of a parcel of real property on which a mobilehome is to be situated, and agrees to convey that property to the department without cost.

(2) The veteran has paid a reasonable fee set by the department to cover the cost of any preliminary service of the department as may be necessary to process the application.

(3) The veteran has filed with the department adequate plans and specifications for the improvements to be constructed upon the real property, together with a contract, executed by a contractor licensed by the State of California for the construction of the improvements in accordance with the plans and specifications within eight months after the acquisition of the real property by the department, and a bond executed by the contractor providing for compliance with the terms of the contract and for the payment of persons furnishing material or labor on the job, executed by a surety company, authorized to do business in the State of California.

(4) The plans, specifications, contract and bond are approved by the department.

(5) The veteran has placed in escrow, all sums of money to be advanced by him or her where the cost is in excess of the maximum that may be expended by the department.

As used in this section "immediate family" includes only the following:

Spouse, children, either natural or adoptive; and the parents if they are dependent upon the veteran for 50 percent or more of their support.

SEC. 67. Section 987.7 of the Military and Veterans Code is amended to read:

987.7. The department may, in the contract of purchase with a veteran, provide that, in the event of default by the veteran and forfeiture of his or her rights under the contract and subsequent sale of the property by the department, it may pay to the veteran any net gain realized by the department upon the sale. The department is the sole judge of the net gain.

SEC. 68. Section 987.17a of the Military and Veterans Code is amended to read:

987.17a. (a) The department shall establish the actual interest rate to be paid. To this end the department, by a two-thirds vote of California Veterans Board members and with the approval of the Veterans' Finance Committee of 1943, is empowered to establish a uniform effective rate of interest. The California Veterans Board and the Veterans' Finance Committee shall periodically, at least once each year, make a finding as to the effective rate of interest to be

charged, not to exceed 5 percent per annum, taking into consideration the current value of money and the solvency of the Veterans' Farm and Home Building Fund of 1943 and the interest paid on participation contracts to which the interest of the department is subject. The California Veterans Board may raise or lower the effective rate of interest payable under those contracts for any given period as many times and as frequently as it deems to be for the best interests of the department, as well as the contractholders, if in so doing its action is made applicable alike to any and all contracts executed after the effective date of this section, and 90 days' advance notice be given of the time when the new rate of interest is to become effective.

(b) The total amount of any installment payment shall be raised or lowered to reflect a change in the effective rate of interest. The department shall, upon request of the purchaser, instead increase or decrease the period fixed by the department for amortization of the purchase price without changing the amount of the installment payment. The department shall provide the purchaser with full information as to the repayment options available to him or her under this subdivision and, upon request of the purchaser, the financial consequences of each option. The actual interest rate to be paid on the amount remaining unpaid under any veteran's purchase contract shall be a rate of interest that, when combined with the interest paid on the unpaid balance of a participation contract to which the department's interest is subject, equals the effective rate of interest.

SEC. 69. Section 987.60 of the Military and Veterans Code is amended to read:

987.60. (a) The department may acquire the farm or home from its owner or may contract with a veteran for the construction of a dwelling house and other improvements for a farm or home, upon the terms agreed under all of the following terms and conditions:

(1) The department is satisfied of the desirability of the property submitted.

(2) The veteran has agreed with the department that he or she, or members of his or her immediate family, will actually reside on the property within 60 days from the date of purchase by the department, or, if the residence on the property is not complete on the date of purchase, within 60 days after the residence is completed, and will continue to reside on the property until all payments due the department have been paid or the farm or home is sold, except where the occupancy requirement is waived pursuant to Section 987.62.

(3) If the department is to contract with a veteran for the construction of a dwelling house and other buildings, or for the purchase of a mobilehome, all of the following are required:

(A) The veteran shall be the owner of the real property on which the dwelling house and other buildings are to be constructed, or shall be the owner of the real property or shall be the owner of an

undivided interest in common in a portion of a parcel of real property on which a mobilehome is to be situated, and agrees to convey that property to the department without cost.

(B) The veteran has paid a reasonable fee set by the department to cover the cost of any preliminary service of the department that may be necessary to process the application.

(C) The veteran has filed with the department adequate plans and specifications for the improvements to be constructed upon the real property, together with a contract, executed by a contractor licensed by the State of California for the construction of the improvements in accordance with the plans and specifications within 12 months after the acquisition of the real property by the department, and a bond executed by the contractor providing for compliance with the terms of the contract and for the payment of persons furnishing material or labor on the job, executed by a surety company authorized to do business in the State of California. The department may also require course-of-construction insurance for public liability, property damage, and workers' compensation.

(D) The plans, specifications, contract, and bond are approved by the department.

(E) The veteran has placed in escrow all sums of money to be advanced by him or her, where the cost is in excess of the maximum that may be expended by the department.

(b) As used in this section "immediate family" includes only the veteran's spouse, natural or adoptive dependent children, and parents only if the parents are dependent upon the veteran for 50 percent or more of their support.

SEC. 70. Section 987.79 of the Military and Veterans Code is amended to read:

987.79. The department may, in the contract of purchase with a veteran, provide that, in the event of default by the veteran and forfeiture of his or her rights under the contract and subsequent sale of the property by the department, it may pay to the veteran any net gain realized by the department upon the sale. The department is the sole judge of the net gain.

SEC. 71. Section 1038 of the Military and Veterans Code is amended to read:

1038. All money deposited with the home for a veteran shall be paid to him or her on demand, upon his discharge or voluntary departure from the home. If the money is not so demanded at the time of his or her discharge or departure or within a period of two years thereafter, if the amount does not exceed three thousand dollars (\$3,000), or within a period of five years thereafter, if the amount exceeds three thousand dollars (\$3,000) either by the veteran, or, in the event of the veteran's death after his or her discharge or departure, by the veteran's heirs, devisees, legatees, or qualified executor or administrator of his or her estate, the money shall be paid to the post fund.

SEC. 72. Section 1042 of the Military and Veterans Code is

amended to read:

1042. All accrued interest on money turned over to the executive officer and retained by him or her under this chapter shall be accounted for by the executive office and deposited to the credit of the post fund and used for the common benefit of veterans.

SEC. 73. Section 1200 of the Military and Veterans Code is amended to read:

1200. The moneys in the several funds of the district shall be paid out by the county treasurer only upon warrants drawn by the county auditor against the appropriate district fund. The county auditor shall draw warrants against the memorial district bond retirement fund, if that fund contains sufficient moneys, and if not, then, against any other funds of the district in payment of all valid and outstanding bonds of the district at maturity and of interest coupons thereon when due, upon presentation to the county auditor of the bonds or coupons by the owners thereof.

SEC. 74. Section 1201 of the Military and Veterans Code is amended to read:

1201. The county auditor shall also draw warrants against the memorial district fund and against the memorial district bond fund, in payment of lawful claims against the district certified to the county auditor by the president of the board.

SEC. 75. Section 1652 of the Military and Veterans Code is amended to read:

1652. Any peace officer or any person employed as a security guard or in a supervisory capacity on premises posted pursuant to Section 1650 may stop any person found on the premises and may detain that person for the purpose of demanding his or her name, address, and the reason for the person's presence. If the peace officer or employee has reason to believe that the person so interrogated has no right to be on the premises, he or she may arrest the person without a warrant on the charge of violating Section 1651.

SEC. 76. Any section of any act enacted by the Legislature during the 1994 calendar year that takes effect on or before January 1, 1995, and that amends, amends and renumbers, adds, repeals and adds, or repeals a section amended by this act, shall prevail over this act, whether that act is enacted prior to, or subsequent to, this act.

CHAPTER 115

An act to amend Section 20980.5 of the Government Code, relating to the Public Employees' Retirement System.

[Approved by Governor June 24, 1994. Filed with
Secretary of State June 27, 1994.]

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

SECTION 1. Section 20980.5 of the Government Code is amended to read:

20980.5. Every state safety member shall be retired on the first day of the calendar month succeeding that in which he or she attains age 65. Every member who has attained age 65 when he or she becomes a state safety member shall be retired on the first day of the following month.

This section shall not apply to members employed as physicians, dentists, or podiatrists.

CHAPTER 116

An act to amend Section 4980.43 of the Business and Professions Code, relating to marriage, family, and child counseling.

[Approved by Governor June 24, 1994. Filed with
Secretary of State June 27, 1994.]

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

SECTION 1. Section 4980.43 of the Business and Professions Code is amended to read:

4980.43. (a) For all applicants, a minimum of two calendar years of supervised experience is required, which experience shall consist of 3,000 hours obtained over a period of not less than 104 weeks. Not less than 1,500 hours of experience shall be gained subsequent to the granting of the qualifying master's or doctor's degree. For those applicants who enroll in a qualifying degree program on or after January 1, 1995, not more than 750 hours of counseling and direct supervisor contact may be obtained prior to the granting of the qualifying master's or doctor's degree, provided, however, that this limitation shall not be interpreted to include professional enrichment activities. Except for personal psychotherapy hours gained after enrollment and commencement of classes in a qualifying degree program, no hours of experience may be gained prior to becoming a trainee. All experience shall be gained within the six years immediately preceding the date the application for licensure was filed, except that up to 500 hours of clinical experience

gained in the supervised practicum required by subdivision (b) of Section 4980.40 shall be exempt from this six-year requirement.

(b) All experience shall be at all times under the supervision of a supervisor who shall be responsible for ensuring that the extent, kind, and quality of counseling performed is consistent with the training and experience of the person being supervised, and who shall be responsible to the board for compliance with all laws, rules, and regulations governing the practice of marriage, family, and child counseling. Experience shall be gained by interns and trainees either as an employee or as a volunteer in any allowable work setting specified in this chapter. The requirements of this chapter regarding gaining hours of experience and supervision are applicable equally to employees and volunteers. Experience shall not be gained by interns or trainees as an independent contractor.

(c) Supervision shall include at least one hour of direct supervisor contact for each week of experience claimed. A trainee shall also receive an average of at least one hour of direct supervisor contact for every five hours of client contact in each setting in which experience is gained. An intern shall also receive an average of at least one hour of direct supervisor contact for every 10 hours of client contact in each setting in which experience is gained. For purposes of this section, "one hour of direct supervisor contact" means one hour of face-to-face contact on an individual basis or two hours of face-to-face contact in a group of not more than eight persons. The contact may be counted toward the experience requirement for licensure, up to the maximum permitted by subdivision (d). All experience gained by a trainee shall be monitored by the supervisor as specified in regulation. The 5 to 1 and 10 to 1 ratios specified in this subdivision shall be applicable to all hours gained on or after January 1, 1995.

(d) (1) The experience required by Section 4980.40 shall include supervised marriage, family, and child counseling, and up to one-third of the hours may include direct supervisor contact and other professional enrichment activities.

(2) "Professional enrichment activities," for the purposes of this section, may include group, marital or conjoint, family, or individual psychotherapy received by an applicant. This psychotherapy may include up to 100 hours taken subsequent to enrolling and commencing classes in a qualifying degree program, or as an intern, and each of those hours shall be triple-counted toward the professional experience requirement. This psychotherapy shall be performed by a licensed marriage, family, and child counselor, licensed clinical social worker, licensed psychologist, licensed physician certified in psychiatry by the American Board of Psychiatry and Neurology, or a licensed physician who has completed a residency in psychiatry.

(e) The experience required by Section 4980.40 may be gained as a trainee in the following settings: a governmental entity, a school, college or university, a nonprofit and charitable corporation, or a

licensed health facility, as defined in Sections 1250, 1250.2, and 1250.3 of the Health and Safety Code, if the experience is gained by the trainee solely as part of the position for which he or she is employed.

(f) The experience required by Section 4980.40 may be gained as an intern as specified in subdivision (e) of this section, or when employed in a private practice owned by a licensed marriage, family, and child counselor, a licensed psychologist, a licensed clinical social worker, a licensed physician and surgeon, or a professional corporation of any of those licensed professions. Employment in a private practice setting shall not commence until the applicant has been registered as an intern. When an intern is employed in a private practice setting by any licensee enumerated in this section, or by a professional corporation of any of those licensees, the intern shall be under the direct supervision of a licensee enumerated in subdivision (f) of Section 4980.40 who shall be employed by and practice at the same site as the intern's employer. An intern employed in a private practice setting shall not pay his or her employer for supervision. While an intern may be either a paid employee or a volunteer, employers are encouraged to provide fair remuneration.

(g) All interns shall register with the board in order to be credited for postdegree hours of experience gained toward licensure, regardless of the setting where those hours are to be gained. Except as provided in subdivision (h), all postdegree hours shall be gained as a registered intern.

(h) Except when employed in a private practice setting, all postdegree hours of experience shall be credited toward licensure so long as the applicant applies for the intern registration within 90 days of the granting of the qualifying master's or doctor's degree and is thereafter granted the intern registration by the board.

(i) Trainees and interns shall not receive any remuneration from patients or clients, and shall only be paid by their employer.

(j) Trainees and interns shall only perform services at the place where their employer regularly conducts business, which may include performing services at other locations, so long as the services are performed under the direction and control of their employer and supervisor, and in compliance with the laws and regulations pertaining to supervision. Trainees and interns shall have no proprietary interest in the employer's business.

(k) An intern or trainee who provides volunteered services or other services, and who receives no more than a total, from all work settings, of five hundred dollars (\$500) per month as reimbursement for expenses actually incurred by that intern or trainee for services rendered in any lawful work setting other than a private practice shall be considered an employee and not an independent contractor. The board may audit applicants who receive reimbursement for expenses, and the applicant shall have the burden of demonstrating that the payments received were for reimbursement of expenses actually incurred.

(l) Each educational institution preparing applicants for

licensure pursuant to this chapter shall consider requiring, and shall encourage, its students to undergo individual, marital or conjoint, family, or group counseling or psychotherapy, as appropriate. Each supervisor shall consider, advise, and encourage his or her interns and trainees regarding the advisability of undertaking individual, marital or conjoint, family, or group counseling or psychotherapy as appropriate. Insofar as it is deemed appropriate and is desired by the applicant, the educational institution and supervisors are encouraged to assist the applicant in locating that counseling or psychotherapy at a reasonable cost.

CHAPTER 117

An act to amend Section 39670 of, and to add Section 35021.5 to, the Education Code, and to amend Sections 830.6 and 832.2 of the Penal Code, relating to schools.

[Approved by Governor June 24, 1994. Filed with
Secretary of State June 27, 1994.]

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

SECTION 1. The Legislature finds and declares all of the following:

(a) The safety and security of public school children and youth, while on campus and when traveling between home and school, is increasingly at risk.

(b) School district personnel face increasing risks of violence while performing their official duties.

(c) Incidents of burglary, theft, arson, and vandalism to school property, buildings, and equipment are escalating.

(d) Costs of police protection and crime prevention on school campuses often are prohibitive. Those costs frequently detract from the ability of school districts to pay for the education of children, the primary purpose of the public schools. The only alternative is for a school district to operate without adequate police protection.

(e) In the community surrounding each school district, there are adults with time, desire, and untapped skills who, with proper training, could augment school police services on an unpaid volunteer basis.

SEC. 2. Section 35021.5 is added to the Education Code, to read:

35021.5. (a) The governing board of a school district may establish an unpaid volunteer school police reserve officer corps to supplement a police department established pursuant to Section 39670. Any person deputized by a school district as a school police reserve officer shall complete the training prescribed by Section 832.2 of the Penal Code.

(b) It is the intent of the Legislature to allow school districts to use

volunteer school police reserve officers to the extent necessary to provide a safe and secure school environment.

SEC. 3. Section 39670 of the Education Code is amended to read:

39670. (a) The governing board of any school district may establish a security department under the supervision of a chief of security or a police department under the supervision of a chief of police, as designated by, and under the direction of, the superintendent of the school district. In accordance with Chapter 5 (commencing with Section 45100) of Part 25, the governing board may employ personnel to ensure the safety of school district personnel and pupils and the security of the real and personal property of the school district. In addition, a school district may assign a school police reserve officer who is deputized pursuant to Section 35021.5 to a schoolsite to supplement the duties of school police personnel pursuant to this section. It is the intention of the Legislature in enacting this section that a school district police or security department is supplementary to city and county law enforcement agencies and is not vested with general police powers.

(b) The governing board of a school district that establishes a security department or a police department shall set minimum qualifications of employment for the chief of security or chief of police, respectively, including, but not limited to, prior employment as a peace officer or completion of any peace officer training course approved by the Commission on Peace Officer Standards and Training. A chief of security or chief of police shall comply with the prior employment or training requirement set forth in this subdivision as of January 1, 1993, or a date one year subsequent to the initial employment of the chief of security or chief of police by the school district, whichever occurs later. This subdivision shall not be construed to require the employment by a school district of any additional personnel.

SEC. 4. Section 830.6 of the Penal Code is amended to read:

830.6. (a) (1) Whenever any qualified person is deputized or appointed by the proper authority as a reserve or auxiliary sheriff or city police officer, a reserve deputy sheriff, a reserve deputy marshal, a reserve police officer of a regional park district or of a transit district, a reserve harbor or port police officer of a county, city, or district as specified in Section 663.5 of the Harbors and Navigation Code, a reserve deputy of the Department of Fish and Game, a reserve special agent of the Department of Justice, a reserve officer of a community service district which is authorized under subdivision (h) of Section 61600 of the Government Code to maintain a police department or other police protection, a reserve officer of a school district police department under Section 35021.5 of the Education Code, or a reserve officer of a police protection district formed under Part 1 (commencing with Section 20000) of Division 14 of the Health and Safety Code, and is assigned specific police functions by that authority, the person is a peace officer, if the person qualifies as set forth in Section 832.6. The authority of a person

designated as a peace officer pursuant to this paragraph extends only for the duration of the person's specific assignment. A transit, harbor, or port district reserve officer may carry firearms only if authorized by, and under those terms and conditions as are specified by, his or her employing agency.

(2) Whenever any qualified person is deputized or appointed by the proper authority as a reserve or auxiliary sheriff or city police officer, a reserve deputy sheriff, a reserve deputy marshal, a reserve police officer of a regional park district, transit district, or a school district, or a reserve harbor or port police officer of a county, city, or district as specified in Section 663.5 of the Harbors and Navigation Code, and is so designated by local ordinance or, if the local agency is not authorized to act by ordinance, by resolution, either individually or by class, and is assigned to the prevention and detection of crime and the general enforcement of the laws of this state by that authority, the person is a peace officer, if the person qualifies as set forth in paragraph (1) of subdivision (a) of Section 832.6. The authority of a person designated as a peace officer pursuant to this paragraph includes the full powers and duties of a peace officer as provided by Section 830.1. A transit, harbor, or port district reserve police officer, or a city or county reserve peace officer who is not provided with the powers and duties authorized by Section 830.1, has the powers and duties authorized in Section 830.33, and a school district reserve police officer has the powers and duties authorized in Section 830.32.

(b) Whenever any person is summoned to the aid of any uniformed peace officer, the summoned person is vested with the powers of a peace officer that are expressly delegated to him or her by the summoning officer or that are otherwise reasonably necessary to properly assist the officer.

SEC. 5. Section 832.2 of the Penal Code is amended to read:

832.2. (a) It is the intent of the Legislature to ensure the safety of pupils, staff, and the public on or near California's public schools, by providing school peace officers with training that will enable them to deal with the increasingly diverse and dangerous situations they encounter.

(b) Every school peace officer, including a school police reserve officer, as described in Sections 39670 and 72330 of the Education Code, shall complete a course of training approved by the Commission on Peace Officer Standards and Training relating directly to the role of school peace officers. Any person employed as a school peace officer prior to the date that the Commission on Peace Officer Standards and Training approves the course of training shall complete the course of instruction by January 1, 1996. Any person who is not employed as a school peace officer by the date that the Commission on Peace Officer Standards and Training approves the course of training shall complete the course of instruction within one year from the date his or her employment commences.

The school peace officer training course shall address guidelines

and procedures for reporting offenses to other law enforcement agencies that deal with violence on campus and other school related matters, as determined by the Commission on Peace Officer Standards and Training. The Commission on Peace Officer Standards and Training shall develop and approve the course of training no later than January 1, 1991, and shall consult with school peace officers regarding the content and hourly requirement for this course.

(c) This section does not apply to any school peace officer whose employer requires its school peace officers to possess the basic certificate that is awarded by the Commission on Peace Officer Standards and Training or to any school peace officer who possesses the basic certificate that is awarded by the Commission on Peace Officer Standards and Training.

SEC. 6. No provision of this act shall cause the displacement of any classified employee of any school district.

CHAPTER 118

An act to add Chapter 5 (commencing with Section 47620) to Part 26.8 of the Education Code, relating to charter schools.

[Approved by Governor June 24, 1994. Filed with
Secretary of State June 27, 1994.]

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

SECTION 1. Chapter 5 (commencing with Section 47620) is added to Part 26.8 of the Education Code, to read:

CHAPTER 5. UNIVERSITY CHARTER SCHOOLS

47620. An elementary school that has been operated by the University of California at the Los Angeles campus prior to January 1, 1994, may apply to become a charter school under this chapter. The school may apply under either Section 47621 or Section 47622. If a charter is granted under this chapter, the resulting charter school shall be part of the public school system.

47621. An elementary school that meets the requirements of Section 47620 may apply to become a charter school by petitioning the governing board of the local school district and otherwise following the procedures and requirements contained in Chapter 2 (commencing with Section 47605) and Chapter 3 (commencing with Section 47610).

47622. As an alternative to Section 47621, an elementary school that meets the requirements of Section 47620 may apply to become a charter school by petitioning the State Board of Education. Under this section, the petition shall be signed by not less than 50 percent

of the school's currently employed teachers. All other procedures and requirements, other than those prescribed in subdivision (a) of Section 47605, that are contained in Chapter 2 (commencing with Section 47605) and Chapter 3 (commencing with Section 47610) are applicable to a petition filed pursuant to this section except that references to "governing board" shall mean the State Board of Education.

47623. If an elementary school petitions either the governing board of the local school district or the State Board of Education to become a charter school, as specified in Section 47621 or 47622, that school shall receive state apportionments equal to the statewide average revenue limit for elementary schools plus funding as specified in paragraphs (2) and (3) of subdivision (a) of Section 47612.

47624. If a charter is granted under this chapter, the University of California shall continue to own and be liable for the resulting charter school to the same extent as before the granting of the charter.

47625. A charter granted pursuant to Section 47620 shall not become operative before July 1, 1995.

SEC. 2. Notwithstanding Section 17610 of the Government Code, 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. If the statewide cost of the claim for reimbursement does not exceed one million dollars (\$1,000,000), reimbursement shall be made from the State Mandates Claims Fund. Notwithstanding Section 17580 of the Government Code, unless otherwise specified in this act, the provisions of this act shall become operative on the same date that the act takes effect pursuant to the California Constitution.

CHAPTER 119

An act to amend Section 798.39 of the Civil Code, relating to mobilehome parks.

[Approved by Governor June 24, 1994. Filed with
Secretary of State June 27, 1994.]

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

SECTION 1. Section 798.39 of the Civil Code is amended to read:
798.39. (a) The management may only demand a security deposit on or before initial occupancy and the security deposit may not be in an amount or value in excess of an amount equal to two months' rent that is charged at the inception of the occupancy, in

addition to any rent for the first month. In no event shall additional security deposits be demanded of a homeowner following the initial occupancy.

(b) As to all security deposits collected on or after January 1, 1989, after the homeowner has promptly paid to the management within five days of the date the amount is due, all of the rent, utilities, and reasonable service charges for any 12-consecutive-month period subsequent to the collection of the security deposit by the management, or upon resale of the mobilehome, whichever occurs earlier, the management shall, upon the receipt of a written request from the homeowner, refund to the homeowner the amount of the security deposit within 30 days following the end of the 12-consecutive-month period of the prompt payment or the date of the resale of the mobilehome.

(c) As to all security deposits collected prior to January 1, 1989, in the event that the mobilehome park is sold or transferred to any other party or entity, the selling park owner shall deposit in escrow an amount equal to all security deposits that the park owner holds. The seller's escrow instructions shall direct that, upon close of escrow, the security deposits therein that were held by the selling park owner (including the period in escrow) for 12 months or more, shall be disbursed to the persons who paid the deposits to the selling park owner and promptly paid, within five days of the date the amount is due, all rent, utilities, and reasonable service charges for the 12-month period preceding the close of escrow.

(d) Any and all security deposits in escrow that were held by the selling park owner that are not required to be disbursed pursuant to subdivision (b) or (c) shall be disbursed to the successors in interest to the selling or transferring park owner, who shall have the same obligations of the park's management and ownership specified in this section with respect to security deposits. The disbursement may be made in escrow by a debit against the selling park owner and a credit to the successors in interest to the selling park owner.

(e) The management shall not be required to place any security deposit collected in an interest-bearing account or to provide a homeowner with any interest on the security deposit collected.

(f) Nothing in this section shall affect the validity of title to real property transferred in violation of this section.

CHAPTER 120

An act to amend Sections 14105.98 and 14163 of the Welfare and Institutions Code, relating to Medi-Cal, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 29, 1994. Filed with
Secretary of State June 29, 1994.]

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

SECTION 1. The Legislature finds and declares that statutory amendments in 1991 and 1993 to the federal medicaid program, together with federal regulations regarding medicaid payment matters, suggest that modifications to the Medi-Cal Inpatient Payment Adjustment Program are appropriate to align the timing of the program more closely to the federal fiscal year, and to incorporate an element suggested by the federal government to ensure that the program achieves full federal funding for the 1993-94 state fiscal year and subsequent fiscal years.

SEC. 2. Section 14105.98 of the Welfare and Institutions Code is amended to read:

14105.98. (a) The following definitions shall apply for purposes of this section:

(1) "Disproportionate share list" means an annual list of disproportionate share hospitals that provide acute inpatient services issued by the department for purposes of this section.

(2) "Fund" means the Medi-Cal Inpatient Payment Adjustment Fund, created pursuant to Section 14163.

(3) "Eligible hospital" means a hospital included on a disproportionate share list, which is eligible to receive payment adjustments under this section with respect to a particular state fiscal year.

(4) "Hospital" means a health facility that is licensed pursuant to Chapter 2 (commencing with Section 1250) of Division 2 of the Health and Safety Code to provide acute inpatient hospital services, and includes all components of the facility.

(5) "Payment adjustment" or "payment adjustment amount" means an amount paid under this section for acute inpatient hospital services provided by a disproportionate share hospital.

(6) "Payment adjustment year" means the particular state fiscal year with respect to which payments are to be made to eligible hospitals under this section.

(7) "Payment adjustment program" means the system of Medi-Cal payment adjustments for acute inpatient hospital services established by this section.

(8) "Annualized Medi-Cal inpatient paid days" means the total number of Medi-Cal acute inpatient hospital days, regardless of dates of service, for which payment was made by or on behalf of the

department to a hospital, under present or previous ownership, during the most recent calendar year ending prior to the beginning of a particular payment adjustment year, including all Medi-Cal acute inpatient covered days of care for hospitals which are paid on a different basis than per diem payments.

(9) "Low-income utilization rate" means a percentage rate determined by the department in accordance with the requirements of Section 1396r-4(b)(3) of Title 42 of the United States Code, and included on a disproportionate share list.

(10) "Low-income number" means a hospital's low-income utilization rate rounded down to the nearest whole number, and included on a disproportionate share list.

(11) "1991 Peer Grouping Report" means the final report issued by the department dated May 1991, entitled "Hospital Peer Grouping."

(12) "Major teaching hospital" means a hospital that meets the definition of a university teaching hospital, major nonuniversity teaching hospital, or large teaching emphasis hospital as set forth on page 51 of the 1991 Peer Grouping Report.

(13) "Children's hospital" means a hospital that meets the definition of a children's hospital-state defined, as set forth on page 53 of the 1991 Peer Grouping Report, or which is listed in subdivision (a), or subdivisions (c) to (g), inclusive, of Section 16996.

(14) "Acute psychiatric hospital" means a hospital that meets the definition of an acute psychiatric hospital, a combination psychiatric/alcohol-drug rehabilitation hospital, or a psychiatric health facility, to the extent the facility is licensed to provide acute inpatient hospital service, as set forth on page 52 of the 1991 Peer Grouping Report.

(15) "Alcohol-drug rehabilitation hospital" means a hospital that meets the definition of an alcohol-drug rehabilitation hospital as set forth on page 52 of the 1991 Peer Grouping Report.

(16) "Emergency services hospital" means a hospital that is a licensed provider of basic emergency services as described in Sections 70411 to 70419, inclusive, of Title 22 of the California Code of Regulations, or that is a licensed provider of comprehensive emergency medical services as described in Sections 70451 to 70459, inclusive, of Title 22 of the California Code of Regulations.

(17) "Medi-Cal day of acute inpatient hospital service" means any acute inpatient day of service attributable to patients who, for those days, were eligible for medical assistance under the California state plan, including any day of service that is reimbursed on a basis other than per diem payments.

(18) "Total per diem composite amount" means, for each eligible hospital for a particular payment adjustment year, the total of the various per diem payment adjustment amounts to be paid to the hospital for each eligible day as calculated under subdivision (g), (h), (i), or (j).

(19) "Supplemental lump-sum payment adjustment" means a

lump-sum amount paid under this section for acute inpatient hospital services provided by a disproportionate share hospital.

(20) "Projected total payment adjustment amount" means, for each eligible hospital for a particular payment adjustment year, the amount calculated by the department as the projected maximum total amount the hospital is expected to receive under the payment adjustment program for the particular payment adjustment year (including all per diem payment adjustment amounts and any applicable supplemental lump-sum payment adjustments).

(21) "To align the program with the federal allotment" means to modify the size of the payment adjustment program to be as close as reasonably feasible to, but not to exceed, the estimated or actual maximum state disproportionate share hospital allotment for the particular federal fiscal year for California under Section 1396r-4(f) of Title 42 of the United States Code.

(22) "Descending pro rata basis" means an allocation methodology under which a pool of funds is distributed to hospitals on a pro rata basis until one of the recipient hospitals reaches its maximum payment limit, after which all remaining amounts in the pool are distributed on a pro rata basis to the recipient hospitals that have not reached their maximum payment limits, until another hospital reaches its maximum payment limit, and which process is repeated until the entire pool of funds has been distributed among the recipient hospitals.

(b) For each fiscal year commencing with 1991-92, there shall be Medi-Cal payment adjustment amounts paid to hospitals pursuant to this section. The amount of payments made and the eligible hospitals for each payment adjustment year shall be determined in accordance with the provisions of this section. The payments are intended to support health care services rendered by disproportionate share hospitals.

(c) For each fiscal year commencing with 1991-92, the department shall issue a disproportionate share list. The list shall be developed in accordance with subdivisions (e) and (f), and shall serve as a basis for payments under this section for the particular payment adjustment year. In developing the list, the department may, to the extent practicable, utilize applicable data which is consistent with analysis compiled or developed by the California Medical Assistance Commission.

(d) (1) Except as otherwise provided by this section, the payment adjustment amounts under this section shall be distributed as a supplement to, and concurrent with, payments on all billings for Medi-Cal acute inpatient hospital services that are paid through Medi-Cal claims payment systems on or after July 1, 1991. In connection with those billings, the department shall pay payment adjustment amounts in accordance with subdivision (g), (h), (i), or (j), as applicable, to any hospital qualifying under subdivision (e). In addition, the department shall pay to each of those hospitals any supplemental lump-sum payment adjustment amounts payable

under subdivisions (u), (v), (w), and (y), and shall adjust payment amounts in accordance with other applicable provisions of this section. The nonfederal share of all payment adjustment amounts shall be funded by amounts from the fund. The department shall obtain federal matching funds for the payment adjustment program through customary Medi-Cal accounting procedures.

(2) As a limitation to paragraph (1), all payment adjustment amounts under this section, which are due with respect to billings paid through Medi-Cal claims payment systems on or after July 1, 1991, shall be suspended until the time federal approval is first obtained for the payment adjustment program as part of the Medi-Cal program. For purposes of this paragraph, federal approval requires both (i) approval by appropriate federal agencies of an amendment to the Medi-Cal State Plan, as referred to in subdivision (o), and (ii) confirmation by appropriate federal agencies regarding the availability of federal financial participation for the payment adjustment program at a level of at least 40 percent of the percentage of federal financial participation that is normally applicable for Medi-Cal expenditures for acute inpatient hospital services. At the time federal approval is first obtained, the department shall proceed pursuant to subparagraphs (A) and (B) in connection with the suspended payment adjustment amounts.

(A) Except as provided by subdivision (l), or by any other subdivision of this section, any payment adjustment amounts which were suspended shall, within 60 days, be paid for all those billings paid through Medi-Cal claims payment systems during periods of time, on or after July 1, 1991, for which federal approval is first effective for the payment adjustment program.

(B) Payment adjustment amounts shall not be paid in connection with any Medi-Cal billings which were paid through Medi-Cal claims payment systems during any period of time for which federal approval is not effective for the payment adjustment program.

(3) As a limitation to paragraph (1), the amendments to this section enacted during calendar year 1993 shall not be implemented until the department has obtained any approvals that are necessary under federal law. Until such time as all necessary federal approvals are obtained, the payment adjustment program shall continue as though no amendments had been enacted during calendar year 1993. At such time as all necessary federal approvals have been obtained, the amendments enacted during calendar year 1993, shall be implemented effective as of the earliest effective date permissible under federal law.

(4) As a limitation to paragraph (1), amendments to this section enacted during calendar year 1994 shall not be implemented until the department has obtained any approvals that are necessary under federal law. Until all necessary federal approvals are obtained, the payment adjustment program shall continue as though no amendments had been enacted during calendar year 1994. When all necessary federal approvals have been obtained, the amendments

enacted during calendar year 1994 shall be implemented on the earliest effective date permissible under federal law. Notwithstanding any other provision of law, on or after the date that federal approval is obtained, the payments made prior to that date with respect to the 1993-94 payment adjustment year or subsequent payment adjustment years, shall be deemed nonfinal payments for purposes of this section and Section 14163. Any of those amounts paid or payable prior to that date shall then be compared to the payments that would have been made pursuant to the program changes as approved by the federal government for all periods of time permissible under federal law, and the difference, if any, shall be paid or recouped by the department, as appropriate.

(e) To qualify for payment adjustment amounts under this section, a hospital shall have been included on the disproportionate share list for the particular payment adjustment year. The list shall consist of those hospitals which satisfy both of the following requirements:

(1) The hospital shall meet the federal requirements for disproportionate share status set forth in subsection (d) of Section 1396r-4 of Title 42 of the United States Code.

(2) Either of the following shall apply:

(A) The hospital's medicaid inpatient utilization rate, as defined in Section 1396r-4(b)(2) of Title 42 of the United States Code, shall be at least one standard deviation above the mean medicaid inpatient utilization rate for hospitals receiving medicaid payments in the state.

(B) The hospital's low-income utilization rate shall exceed 25 percent.

(f) (1) For the 1991-92 payment adjustment year, a disproportionate share list shall be issued by the department no later than 65 days after the enactment of this section. For subsequent payment adjustment years, a tentative listing shall be prepared by the department at least 60 days before the beginning of the particular payment adjustment year, and a disproportionate share list shall be issued no later than five days after the beginning of the particular payment adjustment year. All state agencies shall take all necessary steps to supply the most recent data available to the department to meet these deadlines. The Office of Statewide Health Planning and Development shall provide to the department quarterly access to the edited and unedited confidential patient discharge data files for all Medi-Cal eligible patients. The department shall maintain the confidentiality of that data to the same extent as is required of the Office of Statewide Health Planning and Development. In addition, the Office of Statewide Health Planning and Development shall provide to the department no later than March 1 of each year, the data specified by the department, as the data existed on the statewide data base file as of February 1 of each year (except that for the 1991-92 payment adjustment year, the Office of Statewide Health Planning and Development shall provide

data as it existed on the statewide data base file as of August 30, 1991), from all of the following:

(A) Hospital annual disclosure reports, filed with the Office of Statewide Health Planning and Development pursuant to Section 443.31 of the Health and Safety Code, for hospital fiscal years which ended during the calendar year ending 13 months prior to the applicable February 1.

(B) Annual reports of hospitals, filed with the Office of Statewide Health Planning and Development pursuant to Section 439.2 of the Health and Safety Code, for the calendar year ending 13 months prior to the applicable February 1.

(C) Hospital patient discharge data reports, filed with the Office of Statewide Health Planning and Development pursuant to subdivision (g) of Section 443.31 of the Health and Safety Code, for the calendar year ending 13 months prior to the applicable February 1.

(D) Any other materials on file with the Office of Statewide Health Planning and Development.

(2) The disproportionate share list shall show all of the following:

(A) The name and license number of the hospital.

(B) Expressed as a percentage, the hospital's Medi-Cal utilization rate and low-income utilization rate as referred to in paragraph (2) of subdivision (e). The department shall determine these rates in accordance with paragraph (4).

(C) Based on the hospital's low-income utilization rate, the hospital's low-income number.

(3) The department shall determine a hospital's satisfaction of paragraph (1) of subdivision (e) based on the most recent annual data available, as it existed on the Office of Statewide Health Planning and Development statewide data base file as of February 1 of each year, and August 30 for the 1991-92 payment adjustment year, whether the data relates to operations under present or previous ownership.

(4) To determine a hospital's Medi-Cal inpatient utilization rate and low-income utilization rate for purposes of disproportionate share lists, the department shall utilize the same methodology, formulae, and data sources as set forth in connection with interim determinations in Attachment 4.19-A of the Medi-Cal State Plan (effective on or about July 1, 1990), except that the following shall apply:

(A) The calculations shall not be interim, but shall be final for purposes of this section.

(B) To the extent permitted by federal law, the payment adjustment amounts provided to hospitals pursuant to this section shall not be included for any purpose in the calculations and determinations made pursuant to this section.

(C) Any other variation otherwise required by this section or by federal law.

(D) The data utilized by the department shall relate to the

hospital under present and previous ownership. When there has been a change of ownership, a change in the location of the main hospital facility, or a material change in patient admission patterns during the twenty-four months immediately prior to the payment adjustment year, and the change has resulted in a diminution of access for Medi-Cal inpatients at the hospital, all as determined by the department, the department shall, to the extent permitted by federal law, utilize current data that are reflective of the diminution of access, even if the data are not annual data.

(E) Unless expressly provided otherwise by this section, the hospital's low-income utilization rate shall be based on the most recent annual data available from annual hospital reports existing on the Office of Statewide Health Planning and Development data base file as of February 1 of each year.

(F) (i) If, for the 1994-95 payment adjustment year or subsequent payment adjustment years, some or all of the annual data elements available to the department from hospital reports filed with the Office of Statewide Health Planning and Development for purposes of computing hospital low-income utilization rates are different than in prior years due to changes in data reporting requirements of the Office of Statewide Health Planning and Development or changes in other state health care programs, the department shall take such steps as are necessary to obtain from hospitals appropriate data in order to clarify the annual data filed with the Office of Statewide Health Planning and Development. This shall be done by the department in order to ensure that low-income utilization rates are determined in a manner as equivalent as possible to the approach and methodology used for the 1991-92 payment adjustment year.

(ii) The efforts of the department to obtain and apply data for the purposes described in clause (i) shall include a survey to collect, from one or more hospitals, any data necessary to calculate the low-income utilization rates in accordance with clause (i). The purpose for the survey shall be to clarify the data already included by hospitals in their annual reports submitted to the Office of Statewide Health Planning and Development. The data requested by the department in the survey may include, among other things, information regarding the manner in which payments made to hospitals under this section were reported by the hospitals to the Office of Statewide Health Planning and Development. The data requested may also include information regarding the manner in which hospitals reported figures relating to charity care, bad debts, and amounts received in connection with state or local indigent care programs.

(iii) In connection with any survey conducted under clause (ii), the department may require that hospitals submit responses in accordance with a deadline established by the department, and that the responses be supported by a verification of a hospital representative. Should any hospital not respond on a timely basis in accordance with protocols established by the department, the

department shall utilize prior year data, adjusted by the department in its discretion, to calculate the hospital's low-income utilization rate.

(G) Notwithstanding any other provision of law, all payment adjustment amounts, including per diem payment adjustment amounts and supplemental lump-sum payment adjustments, paid or payable to a hospital under this section, shall be recorded on an accrual basis of accounting in reports filed by the hospital with the Office of Statewide Health Planning and Development or the department.

(5) For purposes of payment adjustment amounts under this section, each disproportionate share list shall be considered complete when issued by the department pursuant to paragraph (1). Nothing on a disproportionate share list, once issued by the department, shall be modified for any reason, other than mathematical or typographical errors or omissions on the part of the department or the Office of Statewide Health Planning and Development in preparation of the list.

(g) For each Medi-Cal day of acute inpatient hospital service paid by or on behalf of the department during a payment adjustment year, regardless of dates of service, to a hospital on the applicable disproportionate share list, where that hospital, on the first day of the payment adjustment year, is a major teaching hospital, the hospital shall be paid the sum of all of the following amounts, except as limited by other applicable provisions of this section:

(1) A minimum payment adjustment of three hundred dollars (\$300).

(2) The sum of the following amounts, minus three hundred dollars (\$300):

(A) A ninety dollar (\$90) payment adjustment for each percentage point, from 25 percent to 29 percent, inclusive, of the hospital's low-income number as shown on the disproportionate share list.

(B) A seventy dollar (\$70) payment adjustment for each percentage point, from 30 percent to 34 percent, inclusive, of the hospital's low-income number as shown on the disproportionate share list.

(C) A fifty dollar (\$50) payment adjustment for each percentage point, from 35 percent to 44 percent, inclusive, of the hospital's low-income number as shown on the disproportionate share list.

(D) A thirty dollar (\$30) payment adjustment for each percentage point, from 45 percent to 64 percent, inclusive, of the hospital's low-income number as shown on the disproportionate share list.

(E) A ten dollar (\$10) payment adjustment for each percentage point, from 65 percent to 80 percent, inclusive, of the hospital's low-income number as shown on the disproportionate share list.

(3) If the sum calculated under paragraph (2) is less than zero, it shall be disregarded for payment purposes.

(h) For each Medi-Cal day of acute inpatient hospital service paid by or on behalf of the department during a payment adjustment year, regardless of dates of service, to a hospital on the applicable disproportionate share list, where that hospital, on the first day of the payment adjustment year, is a children's hospital, the hospital shall be paid the sum of four hundred fifty dollars (\$450), except as limited by other applicable provisions of this section.

(i) For each Medi-Cal day of acute inpatient hospital service paid by or on behalf of the department during a payment adjustment year, regardless of dates of service, to a hospital on the applicable disproportionate share list, where that hospital, on the first day of the payment adjustment year, is an acute psychiatric hospital or an alcohol-drug rehabilitation hospital, the hospital shall be paid the sum of all of the following amounts, except as limited by other applicable provisions of this section:

(1) A minimum payment adjustment of fifty dollars (\$50).

(2) The sum of the following amounts, minus fifty dollars (\$50):

(A) A ten dollar (\$10) payment adjustment for each percentage point, from 25 to 29 percent, inclusive, of the hospital's low-income number as shown on the disproportionate share list.

(B) A seven dollar (\$7) payment adjustment for each percentage point, from 30 to 34 percent, inclusive, of the hospital's low-income number as shown on the disproportionate share list.

(C) A five dollar (\$5) payment adjustment for each percentage point, from 35 to 44 percent, inclusive, of the hospital's low-income number as shown on the disproportionate share list.

(D) A two dollar (\$2) payment adjustment for each percentage point, from 45 to 64 percent, inclusive, of the hospital's low-income number as shown on the disproportionate share list.

(E) A one dollar (\$1) payment adjustment for each percentage point, from 65 to 80 percent, inclusive, of the hospital's low-income number as shown on the disproportionate share list.

(3) If the sum calculated under paragraph (2) is less than zero, it shall be disregarded for payment purposes.

(j) For each Medi-Cal day of acute inpatient hospital service paid by or on behalf of the department during a payment adjustment year, regardless of dates of service, to a hospital on the applicable disproportionate share list, where that hospital does not meet the criteria for receiving payments under subdivision (g), (h), or (i) above, the hospital shall be paid the sum of all of the following amounts, except as limited by other applicable provisions of this section:

(1) A minimum payment adjustment of one hundred dollars (\$100).

(2) If the hospital is an emergency services hospital at the time the payment adjustment is paid, a two hundred dollar (\$200) payment adjustment.

(3) The sum of the following amounts minus one hundred dollars (\$100), and minus an additional two hundred dollars (\$200) if the

hospital is an emergency services hospital at the time the payment adjustment is paid:

(A) A forty dollar (\$40) payment adjustment for each percentage point, from 25 percent to 29 percent, inclusive, of the hospital's low-income number as shown on the disproportionate share list.

(B) A thirty-five dollar (\$35) payment adjustment for each percentage point, from 30 percent to 34 percent, inclusive, of the hospital's low-income number as shown on the disproportionate share list.

(C) A thirty dollar (\$30) payment adjustment for each percentage point, from 35 percent to 44 percent, inclusive, of the hospital's low-income number as shown on the disproportionate share list.

(D) A twenty dollar (\$20) payment adjustment for each percentage point, from 45 percent to 64 percent, inclusive, of the hospital's low-income number as shown on the disproportionate share list.

(E) A fifteen dollar (\$15) payment adjustment for each percentage point, from 65 percent to 80 percent, inclusive, of the hospital's low-income number as shown on the disproportionate share list.

(4) If the sum calculated under paragraph (3) is less than zero, it shall be disregarded for payment purposes.

(k) (1) For any particular payment adjustment year, no hospital may qualify for payments under more than one subdivision among subdivisions (g), (h), (i), and (j). If any hospital qualifies under more than one subdivision, the department shall determine which subdivision shall apply for payments.

(2) For each payment adjustment year beginning with 1992-93, the total applicable per diem payment adjustment amount calculated for each eligible hospital pursuant to subdivision (g), (h), (i), or (j) shall be adjusted by a percentage identical to the percentage increase in transfer amounts that the department has authorized for use pursuant to paragraph (1) of subdivision (h) of Section 14163 for the particular fiscal year.

(3) If an eligible hospital ordinarily is paid by or on behalf of the department for Medi-Cal acute inpatient hospital services based on a payment methodology other than per diem payments, the eligible hospital shall receive payment adjustment amounts under subdivision (g), (h), (i), or (j) of this section based on its approved Medi-Cal days of acute inpatient hospital care, in the same fashion as all other eligible hospitals under this section.

(l) (1) (A) In determining Medi-Cal days of service for purposes of payment adjustments under this section, the department shall recognize all acute inpatient hospital days of service required to be taken into account under federal law.

(B) For the 1992-93 payment year, the department may consider the Medi-Cal days of service provided by the qualifying hospitals for Medi-Cal patients covered by the prepaid health plans contracting

directly with the Medi-Cal program in achieving their maximum payments.

(C) For 1993-94 and subsequent payment years, the department may consider the Medi-Cal days of service provided by hospitals for Medi-Cal patients covered by the prepaid health plans contracting directly with the Medi-Cal program in determining the Medi-Cal utilization rate and the maximum days of payment. Additionally, the department may consider the days of service provided by the qualifying hospitals for Medi-Cal patients covered by the prepaid health plans contracting directly with the Medi-Cal program in achieving their maximum payments in those payment years.

(D) In order to meet the requirements of subparagraph (C), the Office of Statewide Health Planning and Development shall provide to the department quarterly access to all data elements on the edited and unedited confidential patient discharge data files, including Social Security account numbers. The department shall match data with the department's Medi-Cal Eligibility Data System files to extract any data necessary to meet the requirements of subparagraph (C). The department shall maintain the confidentiality of all patient discharge data to the same extent as is required of the Office of Statewide Health Planning and Development.

(2) Notwithstanding paragraph (1), there shall be, for each eligible hospital, a maximum limit on the number of Medi-Cal acute inpatient hospital days for which payment adjustment amounts may be paid under this section with respect to each payment adjustment year. The maximum limit shall be that number of days that equals 80 percent of the eligible hospital's annualized Medi-Cal inpatient paid days, as determined from all Medi-Cal paid claims records available through April 1 preceding the beginning of the payment adjustment year.

(m) No payment rate for any service rendered by any hospital under the Medi-Cal selective provider contracting program shall be reduced as a result of this section.

(n) Notwithstanding any other provision of law, to the extent consistent with federal law, and except as provided by this section, no maximum payment limit shall be placed on the amount of Medi-Cal payment adjustments which may be made to disproportionate share hospitals. The payments made to disproportionate share hospitals pursuant to this section and Section 14105.99 shall not cause any other amounts paid or payable to a hospital to be deemed in excess of any applicable maximum payment limit.

(o) The department shall promptly seek any necessary federal approvals in order to implement this section, including any amendments. Pursuant to Section 1396r-4 of Title 42 of the United States Code, and related federal medicaid statutes and regulations, payment adjustment systems for inpatient hospital services rendered by disproportionate share hospitals shall be included in a state's

medicaid plan. Therefore, the department shall, prior to the end of the calendar quarter during which this section is enacted or amended, submit for federal approval an amendment to the Medi-Cal State Plan in connection with the payment adjustment program.

(p) (1) The department shall compute, prior to the beginning of each payment adjustment year, the projected size of the payment adjustment program for the particular payment adjustment year. To do so, the department shall determine the projected total payment adjustment amount for each eligible hospital, and shall add these amounts together to determine the projected total size of the program. To the extent this projected total figure for the program exceeds the portion of the maximum state disproportionate share hospital allotment for California under federal law that the department anticipates will be available for the period in question, the department shall reduce the total per diem composite amounts of the various eligible hospitals in the fashion described below so that the allotment in question will not be exceeded.

(2) As an initial step, all total per diem composite amounts for the entire payment adjustment year shall be reduced proportionately not to exceed 2 percent of each total per diem composite amount.

(3) If the reductions authorized by paragraph (2) are insufficient to align the program with the federal allotment for California, then, to the extent permitted by federal law, the following shall apply:

(A) The adjusted total per diem composite amounts, as calculated under paragraph (2), shall remain in effect for each eligible hospital whose low-income number is 30 percent or more.

(B) The adjusted total per diem composite amounts, as calculated under paragraph (2), for all other eligible hospitals shall be further reduced proportionately to align the program with the federal allotment, but in no event to a level that is less than 65 percent of the total per diem composite amount that would have been payable to the eligible hospital had no reductions taken place.

(4) If the steps set forth in paragraph (3) are not permissible under federal law, or are not adequate to align the program with the federal allotment, the adjusted total per diem composite amounts for all eligible hospitals for the entire payment adjustment year shall be further reduced proportionately to align the program with the federal allotment, but in no event to a level that would result in adjusted total per diem composite amounts that are less than 65 percent of the total per diem composite amounts that would have been payable had no reductions taken place.

(5) When all eligible hospitals have been reduced to the 65-percent level set forth in paragraphs (3) and (4), the adjusted total per diem composite amounts for all eligible hospitals shall be further reduced proportionately as necessary to align the program with the federal allotment.

(6) This subdivision shall not apply to the 1995-96 payment adjustment year.

(q) (1) If it is necessary to apply the provisions of paragraph (3) of subdivision (p) at any time, the department shall, as soon as practicable, evaluate why the insufficiency arose and identify the projected occurrence and duration of any future insufficiencies.

(2) If the department determines as a result of the evaluations under paragraph (1) that (A) implementation of paragraph (3) of subdivision (p) will likely be necessary to resolve additional insufficiencies for the current payment adjustment year or the next payment adjustment year; and (B) that the level of federal financial participation realized by the payment adjustment program, for the current payment adjustment year as a whole, will be less than 30 percent of the percentage of federal financial participation that normally is applicable for Medi-Cal expenditures for acute inpatient hospital services, and that the level of federal financial participation for the payment adjustment program is expected to continue to remain below that 30 percent level for the next payment adjustment year as a whole, the department shall, as soon as practicable, implement paragraphs (3) and (4).

(3) If the department determines that the circumstances described in paragraph (2) are present, the payment adjustment program shall be terminated, effective as of the earliest date permissible under federal law. In that event, all installment payments to the fund which are already due pursuant to Section 14163 at the time of the department's determination shall remain due, and shall be collected by the Controller. However, installment payments which are not yet due at that time shall not become due.

(4) Within 90 days after the termination of the payment adjustment program, as referred to in paragraph (3), or as soon as practicable, the department shall determine whether any amounts remain in the fund which are not needed to pay prior payment adjustment amounts under this section. If remaining amounts exist in the fund, they shall be refunded to transferor entities on a pro rata basis, within 45 days after the date of the department's determination.

(r) (1) The state shall be held harmless from any federal disallowance resulting from payments made under this section, and from payments made to hospitals based on transfers accepted by the department under Section 14164. Any hospital that has received payments under this section, or based on transfers accepted by the department under Section 14164, shall be liable for any audit exception or federal disallowance only with respect to the payments made to that hospital. The department shall recoup from a hospital the amount of any audit exception or federal disallowance in the manner authorized by applicable laws and regulations.

(2) If any payment adjustment that has been paid, or that is otherwise payable under this section, exceeds the federal hospital-specific limitation under Section 1396r-4(g) of Title 42 of the United States Code, the department shall withhold or recoup the payment adjustment amount that exceeds the limitation. The

nonfederal component of the amount withheld or recouped shall be redeposited in, or shall remain in, the fund, as applicable, until used for the purposes described in paragraph (2) of subdivision (j) of Section 14163.

(s) (1) The department may utilize existing administrative appeal procedures for purposes of any appealable matter that arises under the payment adjustment program. The matters that may be appealed shall be limited to those related to the following:

(A) Paragraph (5) of subdivision (f).

(B) State audit disallowances of amounts paid to hospitals under the payment adjustment program.

(2) Calculations which are final pursuant to paragraph (4) or (5) of subdivision (f) or the procedures or data on which those calculations are based, shall not be appealed.

(t) (1) Except as provided in paragraph (2), the department shall take all appropriate steps permitted by law and the Medi-Cal State Plan to ensure the following for all years of the payment adjustment program:

(A) That well baby (nursery) days and acute administrative days are included in the payment adjustment program in the same fashion as all other Medi-Cal days of acute inpatient hospital service.

(B) That, to the same extent as any other Medi-Cal days of acute inpatient hospital service, well baby (nursery) days and acute administrative days are included as payable days under the payment adjustment program and in the total of annualized Medi-Cal inpatient paid days.

(C) That, if pursuant to paragraph (2), any well baby (nursery) days or acute administrative days are not included in the payment adjustment program for payment purposes for any parts of the 1992-93 or 1993-94 payment adjustment years, all such days are nevertheless included in the total of annualized Medi-Cal inpatient paid days for all purposes under the payment adjustment program, unless otherwise barred by paragraph (2).

(2) In no event shall paragraph (1) be implemented in a fashion that is inconsistent with federal medicaid law or the Medi-Cal State Plan.

(u) (1) For the 1993-94 payment adjustment year, each eligible hospital shall also be eligible to receive a supplemental lump-sum payment adjustment, which shall be payable as a result of the hospital being included on the disproportionate share list as of September 30, 1993. For purposes of federal medicaid rules, including Section 447.297(d) of Title 42 of the Code of Federal Regulations, the supplemental payment adjustments shall be applicable to the federal fiscal year that ends on September 30, 1993.

(2) The availability of supplemental payment adjustments under this subdivision shall be determined as follows:

(A) The final maximum state disproportionate share hospital allotment for California under the provisions of applicable federal medicaid rules shall be identified for the 1993 federal fiscal year. This

final allotment is two billion one hundred ninety-one million four hundred fifty-one thousand dollars (\$2,191,451,000), as specified at page 43186 of Volume 58 of the Federal Register.

(B) The total amount of all per diem payment adjustment amounts under this section, whether paid or payable, that are applicable to the 1993 federal fiscal year shall be determined. The applicability of the per diem payment adjustment amounts to the 1993 federal fiscal year shall be determined in accordance with federal medicaid rules, including Sections 447.297(d)(3) and 447.298 of Title 42 of the Code of Federal Regulations.

(C) The figure determined under subparagraph (B) shall be subtracted from the figure identified under subparagraph (A). If the remainder is a positive figure, supplemental lump-sum payment adjustments shall be made under this subdivision in accordance with paragraph (3).

(3) The amount of the supplemental lump-sum payment adjustment to each eligible hospital shall be computed as follows:

(A) The projected total of all per diem payment adjustment amounts payable to each particular eligible hospital under this section for the 1993-94 payment adjustment year shall be determined. For each hospital, this figure shall be identical to the figure used for the same hospital in the calculations regarding transfer amounts under subdivision (h) of Section 14163 for the 1993-94 state fiscal year.

(B) The projected totals for all eligible hospitals determined under subparagraph (A) shall be added together to determine an aggregate total of all projected per diem payment adjustments for 1993-94 payment adjustment year. This figure shall be identical to the aggregate figure for all hospitals used in the calculations regarding transfer amounts under subdivision (h) of Section 14163 for the 1993-94 state fiscal year.

(C) The figure determined for each eligible hospital under subparagraph (A) shall be divided by the aggregate figure determined under subparagraph (B), yielding a percentage figure for each hospital.

(D) The percentage figure determined for each hospital under subparagraph (C) shall be multiplied by the positive remainder calculated under subparagraph (C) of paragraph (2).

(E) The product as so determined for each eligible hospital under subparagraph (D) shall be the supplemental lump-sum payment adjustment amount payable to the particular hospital.

(4) The department shall make partial payments of the supplemental lump-sum payment adjustments to eligible hospitals on or before January 1, 1994. The department shall make final calculations regarding the supplemental lump-sum payments based on data available as of March 1, 1994, and shall distribute the final payments promptly thereafter.

(5) The department shall implement this subdivision only to the extent consistent with federal medicaid law and the Medi-Cal State

Plan, and only to the extent that the department determines that federal financial participation is available. In doing so, the department shall comply with any procedures instituted by the Health Care Financing Administration in connection with Sections 447.297(d)(3) and 447.298 of Title 42 of the Code of Federal Regulations.

(v) (1) For the 1993-94 payment adjustment year, each eligible hospital that remains in operation as of June 30, 1994, shall also be eligible to receive a supplemental lump-sum payment adjustment, which shall be payable as a result of the hospital being a disproportionate share hospital in operation as of that date.

(2) The availability of supplemental lump-sum payment adjustments under this subdivision shall be determined by the department as follows:

(A) The final maximum state disproportionate share hospital allotment for California under the provisions of applicable federal medicaid rules shall be identified for the 1994 federal fiscal year. This final allotment is two billion one hundred ninety-one million four hundred fifty-one thousand dollars (\$2,191,451,000), as specified on page 22676 of Volume 59 of the Federal Register.

(B) The total amount of all per diem payment adjustment amounts under this section, whether paid or payable, that are applicable to the period October 1, 1993, through June 30, 1994, shall be determined. The applicability of the per diem payment adjustment amounts to this period of time shall be determined in accordance with federal medicaid rules, including Sections 447.297(d)(3) and 447.298 of Title 42 of the Code of Federal Regulations.

(C) The figure determined under subparagraph (B) shall be subtracted from the figure identified under subparagraph (A). If the remainder is a positive figure, supplemental lump-sum payment adjustments shall be made under this subdivision in accordance with paragraph (3).

(3) The amount of the supplemental lump-sum payment adjustment to each hospital shall be computed as follows:

(A) The projected total of all other payment adjustment amounts payable to each particular hospital under this section applicable to the 1993-94 payment adjustment year shall be determined. For each hospital, this figure shall be identical to the sum of the figures used for the same hospital in the calculations regarding transfer amounts under subdivision (h) of Section 14163 for the 1993-94 state fiscal year, not including the supplemental lump-sum payments described in this subdivision.

(B) The projected totals for all hospitals determined under subparagraph (A) shall be added together to determine an aggregate total. This aggregate total shall be identical to the aggregate figure for all hospitals used in the calculations regarding transfer amounts under subdivision (h) of Section 14163 for the 1993-94 state fiscal year, not including the supplemental lump-sum

payments described in this subdivision.

(C) The figure determined for each hospital under subparagraph (A) shall be divided by the aggregate figure determined under subparagraph (B), yielding a percentage figure for each hospital.

(D) The percentage figure determined for each hospital under subparagraph (C) shall be multiplied by the positive remainder calculated under subparagraph (C) of paragraph (2).

(E) The product determined under subparagraph (D) for each hospital shall be the supplemental lump-sum payment adjustment amount payable to the particular hospital, which shall be payable because the facility is a disproportionate share hospital in operation as of June 30, 1994.

(4) The department shall make interim and final payments of the supplemental lump-sum payment adjustments to hospitals on or before October 31, 1994.

(5) The department shall implement this subdivision only to the extent consistent with federal medicaid law and the Medi-Cal State Plan, and only to the extent that the department determines that federal financial participation is available. In doing so, the department shall comply with any procedures instituted by the Health Care Financing Administration in connection with Sections 447.297(d)(3) and 447.298 of Title 42 of the Code of Federal Regulations.

(w) (1) For the 1994-95 payment adjustment year, each eligible hospital that remains in operation as of June 30, 1995, shall also be eligible to receive a supplemental lump-sum payment adjustment, which shall be payable as a result of the hospital being a disproportionate share hospital in operation as of that date.

(2) The availability of supplemental lump-sum payment adjustments under this subdivision shall be determined by the department as follows:

(A) The final maximum state disproportionate share hospital allotment for California under the provisions of applicable federal medicaid rules shall be identified for the 1995 federal fiscal year.

(B) The total amount of all per diem payment adjustment amounts under this section, whether paid or payable, that are applicable to the period October 1, 1994, through June 30, 1995, shall be determined. The applicability of the per diem payment adjustment amounts to this period of time shall be determined in accordance with federal medicaid rules, including Sections 447.297(d)(3) and 447.298 of Title 42 of the Code of Federal Regulations.

(C) The figure determined under subparagraph (B) shall be subtracted from the figure identified under subparagraph (A). If the remainder is a positive figure, supplemental lump-sum payment adjustments shall be made under this subdivision in accordance with paragraph (3).

(3) The amount of the supplemental lump-sum payment adjustment to each hospital shall be computed as follows:

(A) The projected total of all other payment adjustment amounts payable to each particular hospital under this section applicable to the 1994-95 payment adjustment year shall be determined. For each hospital, this figure shall be identical to the sum of the figures used for the same hospital in the calculations regarding transfer amounts under subdivision (h) of Section 14163 for the 1994-95 state fiscal year, not including the supplemental lump-sum payments described in this subdivision.

(B) The projected totals for all hospitals determined under subparagraph (A) shall be added together to determine an aggregate total. This aggregate total shall be identical to the aggregate figure for all hospitals used in the calculations regarding transfer amounts under subdivision (h) of Section 14163 for the 1994-95 state fiscal year, not including the supplemental lump-sum payments described in this subdivision.

(C) The figure determined for each hospital under subparagraph (A) shall be divided by the aggregate figure determined under subparagraph (B), yielding a percentage figure for each hospital.

(D) The percentage figure determined for each hospital under subparagraph (C) shall be multiplied by the positive remainder calculated under subparagraph (C) of paragraph (2).

(E) The product as so determined under subparagraph (D) for each hospital shall be the supplemental lump-sum payment adjustment amount payable to the particular hospital, which shall be payable because the facility is a disproportionate share hospital in operation as of June 30, 1995.

(4) The department shall make interim and final payments of the supplemental lump-sum payment adjustments to hospitals on or before October 31, 1995.

(5) The department shall implement this subdivision only to the extent consistent with federal medicaid law and the Medi-Cal State Plan, and only to the extent that the department determines that federal financial participation is available. In doing so, the department shall comply with any procedures instituted by the Health Care Financing Administration in connection with Sections 447.297(d)(3) and 447.298 of Title 42 of the Code of Federal Regulations.

(x) (1) With respect to per diem payment adjustments otherwise payable in connection with the period of July 1 through September 30 of the 1994-95 payment adjustment year, payment adjustment amounts shall be adjusted as described in paragraph (2).

(2) No per diem payment adjustment amounts shall be payable in connection with the period of July 1 through September 30 of the 1994-95 payment adjustment year. The Medi-Cal days of acute inpatient hospital service paid by or on behalf of the department that otherwise would have given rise to payment adjustment amounts with respect to this period of time shall not count toward the maximum limit set forth in paragraph (2) of subdivision (1).

(y) Notwithstanding any other provision of law, except

subdivision (z), the payment adjustment program for the 1995-96 payment adjustment year shall be structured as set forth below.

(1) (A) The department shall, in the manner used for prior years, compute the projected total payment adjustment amounts for all eligible hospitals, by determining for each eligible hospital its total per diem composite amount and multiplying that figure by 80 percent of the hospital's annualized Medi-Cal inpatient paid days.

(B) The products of the calculations under subparagraph (A) for all eligible hospitals shall be added together. The sum of all these figures shall be the unadjusted projected total payment adjustment program for the 1995-96 payment adjustment year.

(2) The remaining amount available as part of the state disproportionate share hospital allotment for California under applicable federal rules for July 1995 through September 1995 (as part of the 1995 federal fiscal year) shall be recognized as being zero.

(3) The department shall estimate what the state disproportionate share hospital allotment for California will be for the 1996 federal fiscal year under applicable federal rules. The estimate shall not exceed the allotment that was applicable for California for the 1995 federal fiscal year.

(4) The estimate identified by the department under paragraph (3) shall be reduced by subtracting the total amount of the supplemental lump-sum payments paid or payable under subdivisions (v) and (w).

(5) The remainder determined under paragraph (4) shall be added to the amount determined under paragraph (2). The total of those two amounts shall be the maximum size of the payment adjustment program for the 1995-96 payment adjustment year.

(6) The total per diem composite amount computed for each eligible hospital under subparagraph (A) of paragraph (1) shall be reduced so the payment adjustment program for the 1995-96 payment adjustment year does not exceed the amount computed under paragraph (5). The reductions shall occur as follows:

(A) The department shall reduce the total per diem composite amount for each eligible hospital by multiplying the amount by an identical percentage. The percentage figure to be used for this purpose shall be that percentage that is derived by dividing the amount determined under paragraph (5) by the unadjusted projected total payment adjustment program amount determined under subparagraph (B) of paragraph (1).

(B) The percentage figure derived under subparagraph (A) shall be applied to the total per diem composite amount for each eligible hospital, yielding an adjusted total per diem composite amount for each hospital for the 1995-96 payment adjustment year.

(C) The adjusted total per diem composite amount determined under subparagraph (B) for each eligible hospital shall be multiplied by 80 percent of the hospital's annualized Medi-Cal inpatient paid days, yielding an adjusted projected total payment adjustment amount for the hospital for the 1995-96 payment adjustment year.

(D) The adjusted figures computed for all eligible hospitals under subparagraph (C) shall be added together, yielding the adjusted maximum size of the payment adjustment program for the 1995-96 payment adjustment year, which shall equal the figure computed under paragraph (5).

(7) The adjusted maximum amount of the payment adjustment program for the 1995-96 payment adjustment year as determined under subparagraph (D) of paragraph (6), and the adjusted projected total payment adjustment amount for each eligible hospital, as determined under subparagraph (C) of paragraph (6), shall be distributed as follows:

(A) No per diem payment adjustment amounts shall be payable in connection with the period of July 1 through September 30 of the 1995-96 payment adjustment year. The Medi-Cal days of acute inpatient hospital service paid by or on behalf of the department that otherwise would have given rise to payment adjustment amounts with respect to this period of time shall not count toward the maximum limit set forth in paragraph (2) of subdivision (I).

(B) For all eligible hospitals, the adjusted per diem composite amounts (as determined under subparagraph (B) of paragraph (6)) shall be the amounts payable with respect to the period of October 1 through June 30 of the 1995-96 payment adjustment year, subject to the applicable provisions of subdivision (z).

(8) For the 1995-96 payment adjustment year, each eligible hospital that remains in operation as of June 30, 1996, shall also be eligible to receive a supplemental lump-sum payment adjustment, which shall be payable as a result of the facility being a disproportionate share hospital in operation as of that date. The availability of supplemental lump-sum payment adjustments under this paragraph shall be determined by the department as follows:

(A) The adjusted projected total payment adjustment amount for each hospital, as determined under subparagraph (C) of paragraph (6), shall be identified.

(B) The total amount of all per diem payment adjustment amounts under this section, whether paid or payable, that are applicable to the period July 1, 1995, through June 30, 1996, shall be determined for each hospital, taking into account subparagraph (A) of paragraph (7). The applicability of the per diem payment adjustment amounts to this period of time shall be determined in accordance with federal medicaid rules, including Sections 447.297(d)(3) and 447.298 of Title 42 of the Code of Federal Regulations.

(C) The amount determined under subparagraph (B) for each hospital shall be subtracted from the amount identified under subparagraph (A) for each hospital. If the remainder is a positive figure for the particular hospital, the supplemental lump-sum payment adjustment for the hospital shall be the positive remainder amount, which shall be payable because the facility is a disproportionate share hospital in operation as of June 30, 1996.

(D) The department shall make interim and final payments of the supplemental lump-sum payment adjustments to hospitals on or before September 30, 1996.

(E) The department shall implement this subdivision only to the extent consistent with federal medicaid law and the Medi-Cal State Plan, and only to the extent that the department determines that federal financial participation is available. In doing so, the department shall comply with any procedures instituted by the Health Care Financing Administration in connection with Sections 447.297(d)(3) and 447.298 of Title 42 of the Code of Federal Regulations.

(z) (1) (A) Notwithstanding any other provision of law (except for subparagraph (B)), all Medi-Cal days of acute inpatient hospital service paid by or on behalf of the department that give rise to payment adjustment amounts with respect to the period October 1, 1994, through June 30, 1995, shall be treated as involving 1.4 days for purposes of this section. As a result, each per diem payment adjustment amount otherwise payable to the hospital in connection with these days shall be increased by 40 percent. The Medi-Cal days in question shall be treated as involving 1.4 days toward the maximum limit set forth in paragraph (2) of subdivision (l).

(B) For the 1994-95 payment adjustment year, no eligible hospital shall receive total payment adjustments, including per diem payment adjustment amounts and any supplemental lump-sum payment adjustment amounts, in excess of the projected total payment adjustment amounts that were computed or recomputed, as applicable, for the hospital by the department with respect to the 1994-95 payment adjustment year. For each hospital, this maximum figure shall not exceed the sum of the following two components:

(i) The final figure computed by the department as the hospital's total per diem composite amount (including any applicable adjustments under subdivision (p)), multiplied by 80 percent of the hospital's annualized Medi-Cal inpatient paid days.

(ii) The amount calculated by the department as the hospital's pro rata share (based on the figures for all hospitals computed under clause (i)) of the remainder determined by subtracting (I) the sum of the figures computed for all hospitals under clause (i) from (II) the final maximum state disproportionate share hospital allotment for California under applicable federal rules for the 1995 federal fiscal year.

(C) Any payment adjustment amount that otherwise would be payable to a hospital, but that is barred by subparagraph (B), shall be withheld or recouped by the department and distributed on a descending pro rata basis as part of the supplemental lump-sum distribution described in subdivision (w) to those hospitals that have not reached their maximum figures as described in subparagraph (B).

(2) (A) Notwithstanding any other provision of law, except for subparagraph (B), all Medi-Cal days of acute inpatient hospital

service paid by or on behalf of the department that give rise to payment adjustment amounts with respect to the period October 1, 1995, through June 30, 1996, shall be treated as involving 1.4 days for purposes of this section. As a result, each per diem payment adjustment amount otherwise payable to the hospital in connection with these days shall be increased by 40 percent. The Medi-Cal days in question shall be treated as involving 1.4 days toward the maximum limit set forth in paragraph (2) of subdivision (l).

(B) For the 1995-96 payment adjustment year, no eligible hospital shall receive total payment adjustments, including per diem payment adjustment amounts and any supplemental lump-sum payment adjustment amounts, in excess of the adjusted projected total payment adjustment amount that was computed for the hospital for the 1995-96 payment adjustment year under subparagraph (C) of paragraph (6) of subdivision (y).

(C) Any payment adjustment amount that otherwise would be payable to a hospital, but that is barred by subparagraph (A), shall be withheld or recouped by the department and distributed on a descending pro rata basis as part of the supplemental lump-sum distribution described in paragraph (8) of subdivision (y) to those hospitals that have not reached their maximum figures as described in subparagraph (B).

(3) Notwithstanding any other provision of law, to the extent necessary or appropriate to implement and administer the amendments to this section enacted during the 1994 calendar year, the department may utilize an approach involving interim payments, with reconciliation to final payments within a reasonable time.

SEC. 3. Section 14163 of the Welfare and Institutions Code is amended to read:

14163. (a) For purposes of this section, the following definitions shall apply:

(1) "Public entity" means a county, a city, a city and county, the University of California, a local hospital district, a local health authority, or any other political subdivision of the state.

(2) "Hospital" means a health facility that is licensed pursuant to Chapter 2 (commencing with Section 1250) of Division 2 of the Health and Safety Code to provide acute inpatient hospital services, and includes all components of the facility.

(3) "Disproportionate share hospital" means a hospital providing acute inpatient services to Medi-Cal beneficiaries that meets the criteria for disproportionate share status relating to acute inpatient services set forth in Section 14105.98.

(4) "Disproportionate share list" means the annual list of disproportionate share hospitals for acute inpatient services issued by the department pursuant to Section 14105.98.

(5) "Fund" means the Medi-Cal Inpatient Payment Adjustment Fund.

(6) "Eligible hospital" means, for a particular state fiscal year, a

hospital on the disproportionate share list that is eligible to receive payment adjustment amounts under Section 14105.98 with respect to that state fiscal year.

(7) "Transfer year" means the particular state fiscal year during which, or with respect to which, public entities are required by this section to make an intergovernmental transfer of funds to the Controller.

(8) "Transferor entity" means a public entity that, with respect to a particular transfer year, is required by this section to make an intergovernmental transfer of funds to the Controller.

(9) "Transfer amount" means an amount of intergovernmental transfer of funds that this section requires for a particular transferor entity with respect to a particular transfer year.

(10) "Intergovernmental transfer" means a transfer of funds from a public entity to the state, that is local government financial participation in Medi-Cal pursuant to the terms of this section.

(11) "Licensee" means an entity that has been issued a license to operate a hospital by the department.

(12) "Annualized Medi-Cal inpatient paid days" means the total number of Medi-Cal acute inpatient hospital days, regardless of dates of service, for which payment was made by or on behalf of the department to a hospital, under present or previous ownership, during the most recent calendar year ending prior to the beginning of a particular transfer year, including all Medi-Cal acute inpatient covered days of care for hospitals that are paid on a different basis than per diem payments.

(13) "Medi-Cal acute inpatient hospital day" means any acute inpatient day of service attributable to patients who, for those days, were eligible for medical assistance under the California state plan, including any day of service that is reimbursed on a basis other than per diem payments.

(b) The Medi-Cal Inpatient Payment Adjustment Fund is hereby created in the State Treasury. Notwithstanding Section 13340 of the Government Code, the fund shall be continuously appropriated to, and under the administrative control of, the department for the purposes specified in subdivision (d). The fund shall consist of the following:

(1) Transfer amounts collected by the Controller under this section, whether submitted by transferor entities pursuant to subdivision (i) or obtained by offset pursuant to subdivision (j).

(2) Any other intergovernmental transfers deposited in the fund, as permitted by Section 14164.

(3) Any interest that accrues with respect to amounts in the fund.

(c) Moneys in the fund, which shall not consist of any state general funds, shall be used as the source for the nonfederal share of payments to hospitals pursuant to Section 14105.98. Moneys shall be allocated from the fund by the department and matched by federal funds in accordance with customary Medi-Cal accounting procedures, and used to make payments pursuant to Section

14105.98.

(d) Except as otherwise provided in Section 14105.98 or in any provision of law appropriating a specified sum of money to the department for administering this section and Section 14105.98, moneys in the fund shall be used only for the following:

(1) Payments to hospitals pursuant to Section 14105.98.

(2) Except for the amount transferred pursuant to paragraph (3), transfers to the Health Care Deposit Fund in the amount of one hundred fifty-four million seven hundred fifty-seven thousand six hundred ninety dollars (\$154,757,690), beginning in the 1993-94 fiscal year. Notwithstanding any other provision of law, the amount specified in this paragraph shall be in addition to any amounts transferred to the Health Care Deposit Fund arising from changes of any kind attributable to payment adjustment years prior to the 1993-94 payment adjustment year. These transfers from the fund shall be made in six equal monthly installments to the Medi-Cal local assistance appropriation item (Item 4260-101-001 of the annual Budget Act) in support of Medi-Cal expenditures. The first installment shall accrue in October of each transfer year, and all other installments shall accrue monthly thereafter from November through March.

(3) In the 1993-94 fiscal year, in addition to the amount transferred as specified in paragraph (2), fifteen million dollars (\$15,000,000) shall also be transferred to the Medi-Cal local assistance appropriation item (Item 4260-101-001) of the Budget Act of 1993.

(e) For the 1991-92 state fiscal year, the department shall determine, no later than 70 days after the enactment of this section, the transferor entities for the 1991-92 transfer year. To make this determination, the department shall utilize the disproportionate share list for the 1991-92 fiscal year, which shall be issued by the department no later than 65 days after the enactment of this section, pursuant to paragraph (1) of subdivision (f) of Section 14105.98. The department shall identify each eligible hospital on the list for which a public entity is the licensee as of July 1, 1991. The public entity that is the licensee of each identified eligible hospital shall be a transferor entity for the 1991-92 transfer year.

(f) The department shall determine, no later than 70 days after the enactment of this section, the transfer amounts for the 1991-92 transfer year. The transfer amounts shall be determined as follows:

(1) The eligible hospitals for 1991-92 shall be identified. For each hospital, the applicable total per diem payment adjustment amount under Section 14105.98 for the 1991-92 transfer year shall be computed. This amount shall be multiplied by 80 percent of the eligible hospital's annualized Medi-Cal inpatient paid days as determined from all Medi-Cal paid claims records available through April 1, 1991. The products of these calculations for all eligible hospitals shall be added together to determine an aggregate sum for the 1991-92 transfer year.

(2) The eligible hospitals for 1991-92 involving transferor entities

as licensees shall be identified. For each hospital, the applicable total per diem payment adjustment amount under Section 14105.98 for the 1991-92 transfer year shall be computed. This amount shall be multiplied by 80 percent of the eligible hospital's annualized Medi-Cal inpatient paid days as determined from all Medi-Cal paid claims records available through April 1, 1991. The products of these calculations for all eligible hospitals with transferor entities as licensees shall be added together to determine an aggregate sum for the 1991-92 transfer year.

(3) The aggregate sum determined under paragraph (1) shall be divided by the aggregate sum determined under paragraph (2), yielding a factor to be utilized in paragraph (4).

(4) The factor determined in paragraph (3) shall be multiplied by the amount determined for each hospital under paragraph (2). The product of this calculation for each hospital in paragraph (2) shall be divided by 1.771, yielding a transfer amount for the particular transferor entity for the transfer year, except as provided by paragraph (5).

(5) Only for the transfer year with respect to which the payment adjustment program set forth in Section 14105.98 first gains federal approval, a reduction in the transfer amount determined pursuant to paragraph (4) shall be applicable under the following circumstances:

(A) To determine any such reduction, the transfer amount determined pursuant to paragraph (4) shall first be multiplied by a fraction, the numerator of which is the number of days of the transfer year for which federal approval is effective and the denominator of which is 365.

(B) If the product of the calculation under subparagraph (A) is 80 percent or more of the transfer amount determined under paragraph (4), no reduction of the transfer amount determined under paragraph (4) shall apply.

(C) If the product of the calculation under subparagraph (A) is less than 80 percent of the transfer amount determined under paragraph (4), a reduction shall apply to the transfer amount determined under paragraph (4). The reduction shall be that particular amount which is equal to the difference between (i) the transfer amount determined under paragraph (4) and (ii) the amount calculated under subparagraph (A) divided by 80 percent.

(D) Any reduction of a transfer amount applicable under subparagraph (C) shall be spread equally among the installments referred to in subdivision (i).

(g) For the 1991-92 transfer year, the department shall notify each transferor entity in writing of its applicable transfer amount or amounts no later than 70 days after the enactment of this section, which amount or amounts shall be subject to adjustment pursuant to subdivisions (f) and (i).

(h) For the 1992-93 transfer year and subsequent transfer years, transfer amounts shall be determined in the same procedural manner as set forth in subdivision (f), except:

(1) The department shall use all of the following:

(A) The disproportionate share list applicable to the particular transfer year to determine the eligible hospitals.

(B) The payment adjustment amounts calculated under Section 14105.98 for the particular transfer year. These amounts shall take into account any projected or actual increases or decreases in the size of the payment adjustment program as are required under Section 14105.98 for the particular year in question. Subject to the installment schedule in paragraph (5) of subdivision (i) regarding transfer amounts, the department may issue interim, revised, and supplemental transfer requests as necessary and appropriate to address changes in payment adjustment levels that occur under Section 14105.98. All transfer requests, or adjustments thereto, issued to transferor entities by the department shall meet the requirements set forth in subparagraph (E) of paragraph (5) of subdivision (i).

(C) Data regarding annualized Medi-Cal inpatient paid days for the most recent calendar year ending prior to the beginning of the particular transfer year, as determined from all Medi-Cal paid claims records available through April 1 preceding the particular transfer year.

(D) The status of public entities as licensees of eligible hospitals as of July 1 of the particular transfer year.

(E) The transfer amounts calculated by the department may be increased or decreased by a percentage amount consistent with the Medi-Cal State Plan.

(2) For the 1993-94 transfer year and subsequent transfer years, transfer amounts shall be increased on a pro rata basis for each transferor entity for the particular transfer year in the amounts necessary to fund the nonfederal share of the total supplemental lump-sum payment adjustment amounts that arise under Section 14105.98. For purposes of this paragraph, the supplemental lump-sum payment adjustment amounts shall be deemed to arise for the particular transfer year as of the date specified in Section 14105.98. Transfer amounts to fund the nonfederal share of the payments shall be paid by the transferor entities for the particular transfer year within 20 days after the department notifies the transferor entity in writing of the additional transfer amount to be paid.

(3) The department shall prepare preliminary analyses and calculations regarding potential transfer amounts, and potential transferor entities shall be notified by the department of estimated transfer amounts as soon as reasonably feasible regarding any particular transfer year. Written notices of transfer amounts shall be issued by the department as soon as possible with respect to each transfer year. All state agencies shall take all necessary steps in order to supply applicable data to the department to accomplish these tasks. The Office of Statewide Health Planning and Development shall provide to the department quarterly access to the edited and unedited confidential patient discharge data files for all Medi-Cal

eligible patients. The department shall maintain the confidentiality of that data to the same extent as is required of the Office of Statewide Health Planning and Development. In addition, OSHPD shall provide to the department, not later than March 1 of each year, the data specified by the department, as the data existed on the statewide data base file as of February 1 of each year, from all of the following:

(A) Hospital annual disclosure reports, filed with the Office of Statewide Health Planning and Development pursuant to Section 443.31 of the Health and Safety Code, for hospital fiscal years that ended during the calendar year ending 13 months prior to the applicable February 1.

(B) Annual reports of hospitals, filed with the Office of Statewide Health Planning and Development pursuant to Section 439.2 of the Health and Safety Code, for the calendar year ending 13 months prior to the applicable February 1.

(C) Hospital patient discharge data reports, filed with the Office of Statewide Health Planning and Development pursuant to subdivision (g) of Section 443.31 of the Health and Safety Code, for the calendar year ending 13 months prior to the applicable February 1.

(D) Any other materials on file with the Office of Statewide Health Planning and Development.

(4) For the 1993-94 transfer year and subsequent transfer years, the divisor to be used for purposes of the calculation referred to in paragraph (4) of subdivision (f) shall be determined by the department. The divisor shall be calculated to ensure that the appropriate amount of transfers from transferor entities are received into the fund to satisfy the requirements of Section 14105.98 for the particular transfer year. For the 1993-94 transfer year, the divisor shall be 1.742.

(5) For the 1993-94 fiscal year, the transfer amount that would otherwise be required from the University of California shall be increased by fifteen million dollars (\$15,000,000).

(6) Notwithstanding any other provision of law, the total amount of transfers required from the transferor entities for any particular transfer year shall not exceed the sum of the following:

(A) The amount needed to fund the nonfederal share of all payment adjustment amounts applicable to the particular payment adjustment year as calculated under Section 14105.98. Included in the calculations for this purpose shall be any decreases in the program as a whole, and for individual hospitals, that arise due to the provisions of Section 1396r-4 (f) of Title 42 of the United States Code.

(B) The amount needed to fund the transfers to the Health Care Deposit Fund, as referred to in paragraphs (2) and (3) of subdivision (d).

(7) Except as provided in subparagraph (A) of paragraph (2) of subdivision (j), any amounts in the fund that are not expended, or estimated to be required for expenditure, under Section 14105.98

with respect to a particular transfer year shall be returned on a pro rata basis to the transferor entities for the particular transfer year within 120 days after the department determines that the funds are not needed for an expenditure in connection with the particular transfer year.

(i) (1) For the 1991-92 transfer year, each transferor entity shall pay its transfer amount or amounts to the Controller, for deposit in the fund, in eight equal installments. Except as provided below, the first installment shall accrue on July 25, 1991, and all other installments shall accrue on the 5th day of each month thereafter from August through February.

(2) Notwithstanding paragraph (1), no installment shall be payable to the Controller until that date which is 20 days after the department notifies the transferor entity in writing that the payment adjustment program set forth in Section 14105.98 has first gained federal approval as part of the Medi-Cal program. For purposes of this paragraph, federal approval requires both (i) approval by appropriate federal agencies of an amendment to the Medi-Cal State Plan, as referred to in subdivision (o) of Section 14105.98, and (ii) confirmation by appropriate federal agencies regarding the availability of federal financial participation for the payment adjustment program set forth in Section 14105.98 at a level of at least 40 percent of the percentage of federal financial participation that is normally applicable for Medi-Cal expenditures for acute inpatient hospital services.

(3) If any installment that would otherwise be payable under paragraph (1) is not paid because of the provisions of paragraph (2), then subparagraphs (A) and (B) shall be followed when federal approval is gained.

(A) All installments that were deferred based on the provisions of paragraph (2) shall be paid no later than 20 days after the department notifies the transferor entity in writing that federal approval has been gained, in an amount consistent with subparagraph (B).

(B) The installments paid pursuant to subparagraph (A) shall be paid in full, subject to an adjustment in amount pursuant to paragraph (5) of subdivision (f).

(4) All installments for the 1991-92 transfer year that arise in months after federal approval is gained shall be paid by the 5th day of the month or 20 days after the department notifies the transferor entity in writing that federal approval has been gained, whichever is later. These installments shall be subject to an adjustment in amount pursuant to paragraph (5) of subdivision (f).

(5) (A) Except as provided in subparagraphs (B) and (C), for the 1992-93 transfer year and subsequent transfer years, each transferor entity shall pay its transfer amount or amounts to the Controller, for deposit in the fund, in eight equal installments. The first installment shall be payable on July 10 of each transfer year. All other installments shall be payable on the 5th day of each month thereafter

from August through February.

(B) For the 1994–95 transfer year, each transferor entity shall pay its transfer amount or amounts to the Controller, for deposit in the fund, in five equal installments. The first installment shall be payable on October 5, 1994. The next four installments shall be payable on the fifth day of each month thereafter from November through February.

(C) For the 1995–96 transfer year, each transferor entity shall pay its transfer amount or amounts to the Controller, for deposit in the fund, in five equal installments. The first installment shall be payable on October 5, 1995. The next four installments shall be payable on the fifth day of each month thereafter from November through February.

(D) Except as otherwise specifically provided, subparagraphs (A) to (C), inclusive, shall not apply to increases in transfer amounts described in paragraph (2) of subdivision (h) or to additional transfer amounts described in subdivision (o).

(E) All requests for transfer payments, or adjustments thereto, issued by the department shall be in writing and shall include (i) an explanation of the basis for the particular transfer request or transfer activity, (ii) a summary description of program funding status for the particular transfer year, and (iii) the general calculations used by the department in connection with the particular transfer request or transfer activity.

(6) A transferor entity may use any of the following funds for purposes of meeting its transfer obligations under this section:

(A) General funds of the transferor entity.

(B) Any other funds permitted by law to be used for these purposes, except that a transferor entity shall not submit to the Controller any federal funds unless those federal funds are authorized by federal law to be used to match other federal funds. In addition, no private donated funds from any health care provider, or from any person or organization affiliated with such a health care provider, shall be channeled through a transferor entity or any other public entity to the fund. The transferor entity shall be responsible for determining that funds transferred meet the requirements of this subparagraph.

(j) (1) If a transferor entity does not submit any transfer amount within the time period specified in this section, the Controller shall offset immediately the amount owed against any funds which otherwise would be payable by the state to the transferor entity. The Controller, however, shall not impose an offset against any particular funds payable to the transferor entity where the offset would violate state or federal law.

(2) Where a withhold or a recoupment occurs pursuant to the provisions of paragraph (2) of subdivision (r) of Section 14105.98, the nonfederal portion of the amount in question shall remain in the fund, or shall be redeposited in the fund by the department, as applicable. The department shall then proceed as follows:

(A) If the withhold or recoupment was imposed with respect to a hospital whose licensee was a transferor entity for the particular state fiscal year to which the withhold or recoupment related, the nonfederal portion of the amount withheld or recouped shall serve as a credit for the particular transferor entity against an equal amount of transfer obligations under this section, to be applied whenever the transfer obligations next arise. Should no such transfer obligation arise within 180 days, the department shall return the funds in question to the particular transferor entity within 30 days thereafter.

(B) For other situations, the withheld or recouped nonfederal portion shall be subject to paragraph (7) of subdivision (h).

(k) All amounts received by the Controller pursuant to subdivision (i), paragraph (2) of subdivision (h), or subdivision (o), or offset by the Controller pursuant to subdivision (j), shall immediately be deposited in the fund.

(l) For purposes of this section, the disproportionate share list utilized by the department for a particular transfer year shall be identical to the disproportionate share list utilized by the department for the same state fiscal year for purposes of Section 14105.98. Nothing on a disproportionate share list, once issued by the department, shall be modified for any reason other than mathematical or typographical errors or omissions on the part of the department or the Office of Statewide Health Planning and Development in preparation of the list.

(m) Neither the intergovernmental transfers required by this section, nor any elective transfer made pursuant to Section 14164, shall create, lead to, or expand the health care funding or service obligations for current or future years for any transferor entity, except as required of the state by this section or as may be required by federal law, in which case the state shall be held harmless by the transferor entities on a pro rata basis.

(n) No amount submitted to the Controller pursuant to subdivision (i), paragraph (2) of subdivision (h), or subdivision (o), or offset by the Controller pursuant to subdivision (j), shall be claimed or recognized as an allowable element of cost in Medi-Cal cost reports submitted to the department.

(o) Whenever additional transfer amounts are required to fund the nonfederal share of payment adjustment amounts under Section 14105.98 that are distributed after the close of the particular payment adjustment year to which the payment adjustment amounts apply, the additional transfer amounts shall be paid by the parties who were the transferor entities for the particular transfer year that was concurrent with the particular payment adjustment year. The additional transfer amounts shall be calculated under the formula that was in effect during the particular transfer year. For transfer years prior to the 1993-94 transfer year, the percentage of the additional transfer amounts available for transfer to the Health Care Deposit Fund under subdivision (d) shall be the percentage that was

in effect during the particular transfer year. These additional transfer amounts shall be paid by transferor entities within 20 days after the department notifies the transferor entity in writing of the additional transfer amount to be paid.

(p) (1) Ten million dollars (\$10,000,000) of the amount transferred from the Medi-Cal Inpatient Payment Adjustment Fund to the Health Care Deposit Fund due to amounts transferred attributable to years prior to the 1993–94 fiscal year is hereby appropriated without regard to fiscal years to the State Department of Health Services to be used to support the development of managed care programs under the department's plan to expand Medi-Cal managed care.

(2) These funds shall be used by the department for both of the following purposes: (A) distributions to counties or other local entities that contract with the department to receive those funds to offset a portion of the costs of forming the local initiative entity, and (B) distributions to local initiative entities that contract with the department to receive those funds to offset a portion of the costs of developing the local initiative health delivery system in accordance with the department's plan to expand Medi-Cal managed care.

(3) Entities contracting with the department for any portion of the ten million dollars (\$10,000,000) shall meet the objectives of the department's plan to expand Medi-Cal managed care with regard to traditional and safety net providers.

(4) Entities contracting with the department for any portion of the ten million dollars (\$10,000,000) may be authorized under those contracts to utilize their funds to provide for reimbursement of the costs of local organizations and entities incurred in participating in the development and operation of a local initiative.

(5) To the full extent permitted by state and federal law, these funds shall be distributed by the department for expenditure at the local level in a manner that qualifies for federal financial participation under the medicaid program.

SEC. 4. Notwithstanding any other provision of law, if the amendments to Section 14105.98 of the Welfare and Institutions Code made by this act are not successful in achieving the maximum possible federal financial participation for the Medi-Cal Inpatient Payment Adjustment Program for the 1993–94 federal fiscal year, as tested against the final disproportionate share hospital allotment for California under applicable federal medicaid law for the 1993–94 federal fiscal year, the State Department of Health Services shall adopt an amendment to the Medi-Cal State Plan to provide for the allocation and distribution of any remaining portion of the federal allotment. Any amendment to the Medi-Cal State Plan shall be structured to be as consistent as possible with Section 14105.98 of the Welfare and Institution Code, as amended by this act.

SEC. 5. The State Department of Health Services shall take steps as are necessary to have published, on or before June 28, 1994, any public notices that are appropriate or required under federal or

California law in order to ensure a federal medicaid effective date prior to July 1, 1994, for the provisions of this act. Notwithstanding any other provision of law, the State Department of Health Services may arrange for the publication of any notice through a private vendor, on a bid or nonbid basis, on an exclusive or nonexclusive basis, without review or approval by any other department, agency, or instrumentality of the state. The costs of publishing any notice through a private vendor shall be recovered by the State Department of Health Services from the Medi-Cal Inpatient Payment Adjustment Fund.

SEC. 6. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to ensure sufficient funding for disproportionate share providers in the Medi-Cal program to enable them to provide sufficient access to Medi-Cal benefits as soon as possible, it is necessary that this act go into effect immediately.

CHAPTER 121

An act to amend Section 1202.1 of the Penal Code, relating to sex offenders, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 30, 1994. Filed with
Secretary of State June 30, 1994.]

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

SECTION 1. Section 1202.1 of the Penal Code is amended to read:

1202.1. (a) Notwithstanding Sections 199.20 and 199.22 of the Health and Safety Code, the court shall order every person who is convicted of, or adjudged by the court to be a person described by Section 601 or 602 of the Welfare and Institutions Code as provided in Section 725 of the Welfare and Institutions Code by reason of a violation of, a sexual offense listed in subdivision (e), whether or not a sentence or fine is imposed or probation is granted, to submit to a blood test for evidence of antibodies to the probable causative agent of acquired immune deficiency syndrome (AIDS). Each person tested under this section shall be informed of the results of the blood test.

(b) Notwithstanding Section 199.21 of the Health and Safety Code, the results of the blood test to detect antibodies to the probable causative agent of AIDS shall be transmitted by the clerk of the court to the Department of Justice and the local health officer.

(c) Notwithstanding Section 199.21 of the Health and Safety Code,

the Department of Justice shall provide the results of a test or tests as to persons under investigation or being prosecuted under Section 647f or 12022.85, if the results are on file with the department, to the defense attorney upon request; and the results also shall be available to the prosecuting attorney upon request for the purpose of either preparing counts for a subsequent offense under Section 647f or sentence enhancement under Section 12022.85 or complying with subdivision (d).

(d) (1) In every case in which a person is convicted of a sexual offense listed in subdivision (e) or adjudged by the court to be a person described by Section 601 or 602 of the Welfare and Institutions Code as provided in Section 725 of the Welfare and Institutions Code by reason of the commission of a sexual offense listed in subdivision (e), the prosecutor or the prosecutor's victim-witness assistance bureau shall advise the victim of his or her right to receive the results of the blood test performed pursuant to subdivision (a). The prosecutor or the prosecutor's victim-witness assistance bureau shall refer the victim to the local health officer for counseling to assist him or her in understanding the extent to which the particular circumstances of the crime may or may not have placed the victim at risk of transmission of human immunodeficiency virus (HIV) from the accused, to ensure that the victim understands the limitations and benefits of current tests for HIV, and to assist the victim in determining whether he or she should make the request.

(2) Notwithstanding any other law, upon the victim's request, the local health officer shall be responsible for disclosing test results to the victim who requested the test and the person who was tested. However, as specified in subdivision (g), positive test results shall not be disclosed to the victim or the person who was tested without offering or providing professional counseling appropriate to the circumstances as follows:

(A) To help the victim understand the extent to which the particular circumstances of the crime may or may not have put the victim at risk of transmission of HIV from the perpetrator.

(B) To ensure that the victim understands both the benefits and limitations of the current tests for HIV.

(C) To obtain referrals to appropriate health care and support services.

(e) For purposes of this section, "sexual offense" includes any of the following:

(1) Rape in violation of Section 261.

(2) Unlawful intercourse with a female under age 18 in violation of Section 261.5.

(3) Rape of a spouse in violation of Section 262.

(4) Sodomy in violation of Section 286.

(5) Oral copulation in violation of Section 288a.

(f) Any blood tested pursuant to subdivision (a) shall be subjected to appropriate confirmatory tests to ensure accuracy of the first test results, and under no circumstances shall test results be transmitted

to the victim or the person who is tested unless any initially reactive test result has been confirmed by appropriate confirmatory tests for positive reactors.

(g) The local health officer shall be responsible for disclosing test results to the victim who requested the test and the person who was tested. However, positive test results shall not be disclosed to the victim or the person who was tested without offering or providing professional counseling appropriate to the circumstances.

(h) The local health officer and the victim shall comply with all laws and policies relating to medical confidentiality, subject to the disclosure authorized by subdivisions (g) and (i).

(i) Any victim who receives information from the local health officer pursuant to subdivision (g) may disclose the information as he or she deems necessary to protect his or her health and safety or the health and safety of his or her family or sexual partner.

(j) Any person who transmits test results or discloses information pursuant to this section shall be immune from civil liability for any action taken in compliance with this section.

SEC. 2. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs which may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, changes the definition of a crime or infraction, changes the penalty for a crime or infraction, or eliminates a crime or infraction. Notwithstanding Section 17580 of the Government Code, unless otherwise specified in this act, the provisions of this act shall become operative on the same date that the act takes effect pursuant to the California Constitution.

SEC. 3. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to ensure the continued receipt of federal anti-drug funds by the State of California, and to assure that crime victims have the ability to obtain the results of HIV testing, it is necessary that this act take effect immediately.

CHAPTER 122

An act to make an appropriation in augmentation of Items 9840-001-001, 9840-001-494, and 9840-001-988 of Section 2.00 of the Budget Act of 1993, relating to contingencies or emergencies, to take effect immediately as an appropriation for the usual current expenses of the state.

[Approved by Governor June 30, 1994. Filed with
Secretary of State June 30, 1994.]

I am reducing the General Fund appropriation in Assembly Bill 670 by \$3,738,000. This reduction reflects funding already provided in Chapter 102, 1994 for the Secretary of State to cover actual expenses related to printing and mailing the November 1993 special statewide ballot.

With this reduction, I hereby approve Assembly Bill No. 670.

PETE WILSON, Governor

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

SECTION 1. (A) The sum of three hundred seventeen million nine hundred forty-one thousand dollars (\$317,941,000) is hereby appropriated for expenditure in the 1993-94 fiscal year in augmentation of, and for the purposes of, contingencies and emergencies as provided in Items 9840-001-001, 9840-001-494, and 9840-001-988 of Section 2.00 of the Budget Act of 1993 (Ch. 55, Stats. 1993), in accordance with the following schedule:

(1) Two hundred twenty-four million eight hundred sixty-nine thousand dollars (\$224,869,000) from the General Fund to the Reserve for Contingencies or Emergencies in Item 9840-001-001.

(2) Eighty million eight hundred twenty-six thousand dollars (\$80,826,000) from unallocated special funds to the Reserve for Contingencies or Emergencies in Item 9840-001-494.

(3) Twelve million two hundred forty-six thousand dollars (\$12,246,000) from unallocated nongovernmental cost funds to the Reserve for Contingencies or Emergencies in Item 9840-001-988.

(b) The Director of Finance may withhold authorization for the expenditure of funds provided in this section until such time as, and to the extent that, preliminary estimates of potential deficiencies are verified.

SEC. 2. This act makes an appropriation for the usual current expenses of the state within the meaning of Article IV of the Constitution and shall go into immediate effect.

CHAPTER 123

An act to amend Section 24045 of the Business and Professions Code, relating to alcoholic beverages, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 30, 1994. Filed with
Secretary of State June 30, 1994.]

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

SECTION 1. Section 24045 of the Business and Professions Code is amended to read:

24045. (a) All licenses, except on-sale general licenses for seasonal businesses and daily on-sale general licenses issued pursuant to Section 24045.1, shall be issued on an annual basis. However, the department may issue special licenses for the sale of beer or wine on a temporary basis for premises temporarily occupied by the licensee for a picnic, social gathering, or similar occasion at a fee equal to the actual cost of issuing the license, but not to exceed twenty-five dollars (\$25) per day.

(b) Notwithstanding subdivision (a), a license transferred pursuant to Section 24071 or 24071.1 shall be issued for the unexpired term remaining on the license of the transferor.

(c) The director may assign or reassign dates for the expiration of licenses issued pursuant to this section. The director may establish a registration year for any license issued pursuant to subdivision (a) consisting of any period from six months to 18 months, inclusive, and shall prorate related annual fees to the extent the registration year is greater or less than 12 months, with subsequent renewals being required at yearly intervals.

SEC. 2. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

Chapter 838 of the Statutes of 1992 inadvertently mandated the payment of duplicate annual renewal fees by licensees whose businesses are ongoing, but who are required to transfer their licenses as a result of changes in ownership occasioned by the death of a spouse, removal of a partner, reorganization or incorporation of a business, or similar circumstances. In order to alleviate the severe financial hardship to many retail businesses in this state caused by this inadvertent duplicate assessment of license fees, it is necessary that this act take effect immediately.

CHAPTER 124

An act to amend Sections 101, 102, 202, 301, and 304 of the San Diego Area Wastewater Management District Act (Chapter 803 of the Statutes of 1992), relating to water, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 30, 1994. Filed with
Secretary of State June 30, 1994.]

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

SECTION 1. Section 101 of the San Diego Area Wastewater Management District Act (Chapter 803 of the Statutes of 1992) is amended to read:

Sec. 101. The Legislature finds and declares all of the following:

(a) It is the policy of the state to assist localities, districts, and regions in developing interurban waste water transportation and disposal systems, nonpoint source collection, treatment, and disposal systems, water reclamation and reuse systems, and refuse sludge transfer and disposal systems within the various metropolitan areas of the state for the benefit of its residents.

(b) Under existing law, there are no special provisions for waste water management in San Diego County.

(c) It is critically important that waste water collection, treatment, storage, disposal, and reuse systems be constructed within San Diego County in order to address inadequate sewage capacity and to achieve compliance with the Federal Water Pollution Control Act (33 U.S.C. Sec. 1251 et seq.).

(d) Because of the many separate cities and unincorporated areas in San Diego County, only a specially created district can effectively and economically coordinate the transportation, treatment, disposal, and reuse of waste water and its related byproducts.

(e) The formation of the San Diego Area Wastewater Management District, which includes the City of San Diego, the City of Chula Vista, the City of Coronado, the City of Del Mar, the City of El Cajon, the City of Imperial Beach, the City of La Mesa, the Lemon Grove Sanitation District, the City of National City, the City of Poway, the County of San Diego, the Otay Water District, the Padre Dam Municipal Water District, and the San Diego County Water Authority, will bring together the necessary financial resources to construct regional waste water projects, and will result in lower financing costs related to the construction of those projects.

(f) It is the intent of the Legislature to create the San Diego Area Wastewater Management District to provide increased decisionmaking authority to the 14 member agencies with respect to the implementation of policies and procedures relating to the regional management of waste water and its byproducts.

SEC. 2. Section 102 of the San Diego Area Wastewater

Management District Act (Chapter 803 of the Statutes of 1992) is amended to read:

Sec. 102. The following definitions govern the construction of this act:

(a) "Board" or "board of directors" means the board of directors of the district.

(b) "Board of supervisors" means the board of supervisors of the county.

(c) "Chairperson" means the chairperson of the board of directors of the district.

(d) "County" means the County of San Diego.

(e) "District" means the San Diego Area Wastewater Management District.

(f) "Member agency" means the City of San Diego, the City of Chula Vista, the City of Coronado, the City of Del Mar, the City of El Cajon, the City of Imperial Beach, the City of La Mesa, the Lemon Grove Sanitation District, the City of National City, the City of Poway, the County of San Diego, the Otay Water District, the Padre Dam Municipal Water District, and the San Diego County Water Authority.

(g) "Refuse" means materials specifically suitable for composting sludge.

(h) "United States" means the United States or a department or agency of the United States.

SEC. 2.5. Section 102 of the San Diego Area Wastewater Management District Act (Chapter 803 of the Statutes of 1992) is amended to read:

Sec. 102. The following definitions govern the construction of this act:

(a) "Board" or "board of directors" means the board of directors of the district.

(b) "Board of supervisors" means the board of supervisors of the county.

(c) "Chairperson" means the chairperson of the board of directors of the district.

(d) "County" means the County of San Diego.

(e) "District" means the San Diego Area Wastewater Management District.

(f) "Member agency" means the City of San Diego, the City of Chula Vista, the City of Coronado, the City of Del Mar, the City of El Cajon, the City of Imperial Beach, the City of La Mesa, the Lemon Grove Sanitation District, the City of National City, the City of Poway, the County of San Diego, the Otay Water District, and the Padre Dam Municipal Water District.

(g) "Refuse" means materials specifically suitable for composting sludge.

(h) "Special status member agency" means the San Diego County Water Authority.

(i) "United States" means the United States or a department or

agency of the United States.

SEC. 3. Section 202 of the San Diego Area Wastewater Management District Act (Chapter 803 of the Statutes of 1992) is amended to read:

Sec. 202. The district includes all of the corporate areas of the City of San Diego, City of Chula Vista, City of Coronado, City of Del Mar, City of El Cajon, City of Imperial Beach, City of La Mesa, Lemon Grove Sanitation District, City of National City, City of Poway, Lakeside Sanitation District, Alpine Sanitation District, Spring Valley Sanitation District, Wintergardens Sewer Maintenance District, Improvement Districts A and B of the Padre Dam Municipal Water District, and Assessment District 4, Improvement Districts 14 and 18, and the Willow Glen Drive Trunk Service Area of the Otay Water District, as described on the map dated March 12, 1984, on file with the Otay Water District.

SEC. 4. Section 301 of the San Diego Area Wastewater Management District Act (Chapter 803 of the Statutes of 1992) is amended to read:

Sec. 301. The district shall be governed by a board. The board shall be composed of 19 members of which three shall be appointed by the City of San Diego, two each by the City of Chula Vista, the City of El Cajon, and the County of San Diego, and one each shall be appointed by each of the remaining member agencies. Each of the members appointed by the City of San Diego shall have two votes.

SEC. 4.5. Section 301 of the San Diego Area Wastewater Management District Act (Chapter 803 of the Statutes of 1992) is amended to read:

Sec. 301. The district shall be governed by a board. The board shall be composed of 19 members of which three shall be appointed by the City of San Diego, two each by the City of Chula Vista, the City of El Cajon, and the County of San Diego, and one each shall be appointed by each of the remaining member agencies, including the special status member agency. Each of the members appointed by the City of San Diego shall have two votes. The special status member agency has no vote.

SEC. 5. Section 304 of the San Diego Area Wastewater Management District Act (Chapter 803 of the Statutes of 1992) is amended to read:

Sec. 304. (a) The term of each board member shall be for four years, except that the initial term shall be two years for one of the board members initially appointed by the City of San Diego, the City of Chula Vista, the City of El Cajon, and the County of San Diego, and for one-half of the remaining board members as determined by lot at the first meeting of the board.

(b) Any vacancy shall be filled by appointment by the governing body of the member agency from which the vacancy occurred. Any appointment to fill a vacancy during the term of a board member shall be for the unexpired term.

(c) Each board member, before undertaking the duties of his or

her office, shall take and subscribe the oath as provided in Section 1360 of the Government Code, and a certificate of the subscribed oath shall be filed with the clerk of the member agency from which the board member has been appointed. A copy of the certificate shall be filed with the district.

(d) A board member may be removed from the board by the governing body of the member agency which appointed that board member.

SEC. 5.5. Section 304 of the San Diego Area Wastewater Management District Act (Chapter 803 of the Statutes of 1992) is amended to read:

Sec. 304. (a) The term of each board member shall be for four years, except that the initial term shall be two years for one of the board members initially appointed by the City of San Diego, City of Chula Vista, the City of El Cajon, and the County of San Diego, and for one-half of the remaining board members as determined by lot at the first meeting of the board.

(b) Any vacancy shall be filled by appointment by the governing body of the member agency or special status member agency from which the vacancy occurred. Any appointment to fill a vacancy during the term of a board member shall be for the unexpired term.

(c) Each board member, before undertaking the duties of his or her office, shall take and subscribe the oath as provided in Section 1360 of the Government Code, and a certificate of the subscribed oath shall be filed with the clerk of the member agency from which the board member has been appointed. A copy of the certificate shall be filed with the district.

(d) A board member may be removed from the board by the governing body of the member agency or special status member agency which appointed that board member.

SEC. 6. Section 2.5 of this bill incorporates amendments to Section 102 of the San Diego Area Wastewater Management District Act proposed by this bill and AB 842. It shall only become operative if (1) both bills are enacted and become effective on or before January 1, 1995, (2) each bill amends Section 102 of the San Diego Area Wastewater Management District Act, and (3) this bill is enacted after AB 842, in which case Section 102 of the San Diego Area Wastewater Management District Act, as amended by AB 842, shall remain operative only until the operative date of this bill, at which time Section 2.5 of this bill shall become operative, and Section 2 of this bill shall not become operative.

SEC. 7. Section 4.5 of this bill incorporates amendments to Section 301 of the San Diego Area Wastewater Management District Act proposed by this bill and AB 842. It shall only become operative if (1) both bills are enacted and become effective on or before January 1, 1995, (2) each bill amends Section 301 of the San Diego Area Wastewater Management District Act, and (3) this bill is enacted after AB 842, in which case Section 301 of the San Diego Area Wastewater Management District Act as amended by AB 842, shall

remain operative only until the operative date of this bill, at which time Section 4.5 of this bill shall become operative, and Section 4 of this bill shall not become operative.

SEC. 8. Section 5.5 of this bill incorporates amendments to Section 304 of the San Diego Area Wastewater Management District Act proposed by this bill and AB 842. It shall only become operative if (1) both bills are enacted and become effective on or before January 1, 1995, (2) each bill amends Section 304 of the San Diego Area Wastewater Management District Act, and (3) this bill is enacted after AB 842, in which case Section 304 of the San Diego Area Wastewater Management District Act, as amended by AB 842, shall remain operative only until the operative date of this bill, at which time Section 5.5 of this bill shall become operative, and Section 5 of this bill shall not become operative.

SEC. 9. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because this act is in accordance with the request of a local agency or school district which desired legislative authority to carry out the program specified in this act. Notwithstanding Section 17580 of the Government Code, unless otherwise specified in this act, the provisions of this act shall become operative on the same date that the act takes effect pursuant to the California Constitution.

SEC. 10. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to allow the City of El Cajon to participate, as soon as possible, in the San Diego Area Wastewater Management District, it is necessary that this act take effect immediately.

CHAPTER 125

An act to amend Sections 704, 704.1, 708, and 708.5 of the Unemployment Insurance Code, relating to unemployment compensation, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 30, 1994. Filed with
Secretary of State June 30, 1994.]

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

SECTION 1. Section 704 of the Unemployment Insurance Code is amended to read:

704. The director shall not approve an election under Section 701, 702, 702.1, 702.5, 703, 708, or 708.5 if he or she finds that any of the following conditions exist:

(a) The self-employed individual is currently unable to perform

his or her regular and customary work due to injury or illness.

(b) The employing unit or self-employed individual is not normally and continuously engaged in a regular trade, business, or occupation.

(c) The employing unit or self-employed individual intends to discontinue the regular trade, business or occupation within eight calendar quarters.

(d) The regular trade, business, or occupation of the employing unit or self-employed individual is seasonal in its operations.

(e) The major portion of the self-employed individual's remuneration is not derived from his or her trade, business, or occupation.

(f) The self-employed individual is unable to provide a copy of his or her Internal Revenue Service Schedule SE as reported on or before April 15 of the preceding year showing a net profit of at least four thousand six hundred dollars (\$4,600) or to certify to an average net profit of at least one thousand one hundred fifty dollars (\$1,150) per quarter since becoming self-employed or for the preceding four quarters, whichever period is less.

(g) The employing unit or self-employed individual has failed to make a return or to pay contributions within the time required by this division and there is an unpaid amount of contributions owing by the employing unit or self-employed individual.

(h) (1) A prior elective coverage agreement entered into pursuant to Section 708 or 708.5 has been terminated by the department under Section 704.1 or by means of a written application for termination as required by this division, and the individual has not completed a waiting period of 18 consecutive months from the date of termination.

(2) The waiting period for reinstatement to the elective coverage program may be waived for any individual who becomes eligible for coverage after being terminated under paragraph (1), (2), (4), or (5) of subdivision (a) of Section 704.1, upon receipt by the department of an application for coverage to be effective the first day of the quarter in which the application is received.

(i) The employing unit or any officer or agent of or person having charge of the affairs of the employing unit, or the self-employed individual has been convicted within the preceding eight consecutive calendar quarters of any violation under Chapter 10 (commencing with Section 2101). For the purposes of this subdivision, a plea or verdict of guilty or a conviction following a plea of nolo contendere is deemed to be a conviction irrespective of whether an order granting probation or other order is made suspending the imposition of the sentence or whether sentence is imposed but execution thereof is suspended.

(j) For purposes of this section, Internal Revenue Service Schedule SE is defined as Internal Revenue Service Form 1040 Schedule SE, or in the case of statutory employees under the Internal Revenue Code, it shall be defined as Internal Revenue Service Form

1040 Schedule C, or the California Income Tax Return, when accompanied by Internal Revenue Service Form W-2.

SEC. 2. Section 704.1 of the Unemployment Insurance Code is amended to read:

704.1. (a) Notwithstanding any other provision of this division, the director may terminate any elective coverage agreement under this article if he or she finds that any of the following conditions exist:

(1) The employing unit or self-employed individual is not normally and continuously engaged in a regular trade, business, or occupation.

(2) The employing unit or self-employed individual has discontinued the regular trade, business, or occupation.

(3) The regular trade, business, or occupation of the employing unit or self-employed individual is seasonal in its operations.

This paragraph shall not apply to any public entity.

(4) The major portion of the self-employed individual's remuneration is not derived from his or her trade, business, or occupation.

(5) The self-employed individual reports a net profit of less than four thousand six hundred dollars (\$4,600) on his or her Internal Revenue Service Schedule SE for a third consecutive year.

(6) The employing unit or self-employed individual has failed to make a return or to pay contributions within the time required by this division and there is an unpaid amount of contributions owing by the employing unit or self-employed individual, except when the elective coverage agreement has been in effect for less than two complete calendar years.

(7) The employing unit or self-employed individual, or a representative thereof, is found by the director to have filed a false statement in order to be considered eligible for elective coverage.

(8) The employing unit or any officer or agent of or person having charge of the affairs of the employing unit, or the self-employed individual is convicted of any violation pursuant to Chapter 10 (commencing with Section 2101). For the purposes of this paragraph, a plea or verdict of guilty or a conviction following a plea of nolo contendere is deemed to be a conviction irrespective of whether an order granting probation or other order is made suspending the imposition of the sentence or whether sentence is imposed but execution thereof is suspended.

(b) The director shall give to the employing unit, or to the self-employed individual, a written notice pursuant to Section 1206 of the director's termination of the elective coverage agreement under this section. The date of termination may be the end of the calendar quarter immediately preceding the existence of any condition specified in subdivision (a), or the end of any subsequent calendar quarter thereafter, as determined by the director.

Any termination of elective coverage shall not affect the liability of the employing unit or self-employed individual for any contributions due, owing, and unpaid to the department.

(c) Sections 1222, 1223, and 1224 shall apply to matters arising under this section.

(d) For purposes of this section, Internal Revenue Service Schedule SE is defined as Internal Revenue Service Form 1040 Schedule SE, or in the case of statutory employees under the Internal Revenue Code, it shall be defined as Internal Revenue Service Form 1040 Schedule C, or the California Income Tax Return, when accompanied by Internal Revenue Service Form W-2.

SEC. 3. Section 708 of the Unemployment Insurance Code is amended to read:

708. (a) Any individual who is an employer under this division or any two or more individuals who have so qualified may file with the director a written election that their services shall be deemed to be services performed by individuals in employment for an employer for all the purposes of this division. Upon the approval of the election by the director the services of those individuals shall be deemed to constitute employment for an employer for all the purposes of this division. Regardless of their actual earnings, for the purposes of computing benefit rights and contributions under this division, they shall be deemed to have received the following remuneration for each calendar quarter:

(1) For purposes of unemployment insurance, the highest amount of wages required to be entitled to the maximum benefit amount provided in Section 1280.

(2) For purposes of disability insurance, the highest amount of wages required to be entitled to the maximum benefit amount provided in Section 2655.

(A) For disability insurance contributions on or after July 1, 1994, the quarterly contribution shall be the product of one-fourth of the amount of net profit, but not less than one thousand one hundred fifty dollars (\$1,150) except when subparagraph (B) applies, reported on or before April 15 of the preceding year as declared on the Internal Revenue Service Schedule SE filed by an individual who is an employer under this division and the contribution rate established pursuant to Section 984.5, except as provided by Section 985. On January 1, 1995, quarterly income credits for the period from July 1, 1993, to June 30, 1994, inclusive, shall be changed to one-fourth of the amount of the net profit or four thousand six hundred dollars (\$4,600), whichever is greater, reported on or before April 15, 1993, as declared on the Internal Revenue Service Schedule SE for the 1992 taxable year filed by each individual having an elective coverage agreement in effect for that period or any portion thereof. If no Internal Revenue Service Schedule SE was filed, the individual shall be assigned a quarterly income credit of one thousand one hundred fifty dollars (\$1,150). Quarterly income credits for this period shall not exceed seven thousand nine hundred forty-two dollars (\$7,942). If any quarterly income credit for the period from July 1, 1993, to June 30, 1994, inclusive, was reduced prior to January 1, 1995, the amended income credit shall be reduced proportionately.

Benefits payable for periods of disability commencing on or after January 1, 1995, shall be based on Section 2655. For purposes of this division, income credits shall be included in the term "wages."

(B) The self-employed individual shall not pay contributions for periods of any disability, including periods for which some services are performed while disabled. The self-employed individual shall file a quarterly report of wages and certify as to the period of disability in order to maintain eligibility for elective disability insurance coverage and benefits. During periods of disability, the self-employed individual shall reduce his or her quarterly contributions by dividing the quarterly contribution amount by 91 to compute the daily contribution amount, and the daily contribution amount shall be multiplied by the number of days disabled to compute the amount by which the quarterly contributions shall be reduced. The department shall reduce income credits utilizing the same calculation method.

(b) Any individual who is an employer under this division or any two or more individuals who have so qualified may file with the director a written election that their services shall be deemed to be services performed by individuals in employment for an employer for the purposes of Part 2 (commencing with Section 2601) only. Upon the approval of the election by the director the services of those individuals shall be deemed to constitute employment for an employer for the purposes of Part 2 (commencing with Section 2601) only. Regardless of their actual earnings, for the purposes of computing disability benefit rights and worker contributions, they shall be deemed to have received remuneration for each calendar quarter the highest amount of wages required to be entitled to the maximum benefit award provided in Section 2655. For contributions on or after July 1, 1994, the quarterly contribution shall be the product of one-fourth of the amount of net profit, but not less than one thousand one hundred fifty dollars (\$1,150), except when subparagraph (B) of paragraph (2) of subdivision (a) applies, reported on or before April 15 of the preceding year as declared on the Internal Revenue Service Schedule SE filed by an individual who is an employer under this division and the contribution rate established pursuant to Section 984.5, except as provided by Section 985. The quarterly contribution shall be reduced as set forth in subparagraph (B) of paragraph (2) of subdivision (a) if a disability occurred during the quarter for which payment is being made. On January 1, 1995, quarterly income credits for the period from July 1, 1993, to June 30, 1994, inclusive, shall be changed to one-fourth of the amount of the net profit or four thousand six hundred dollars (\$4,600), whichever is greater, reported on or before April 15, 1993, as declared on the Internal Revenue Service Schedule SE for the 1992 taxable year filed by each individual having an elective coverage agreement in effect for that period or any portion thereof. If no Internal Revenue Service Schedule SE was filed, the individual shall be assigned a quarterly income credit of one thousand one

hundred fifty dollars (\$1,150). Quarterly income credits for this period shall not exceed seven thousand nine hundred forty-two dollars (\$7,942). If quarterly income credits were reduced prior to January 1, 1995, the amended income credits shall be reduced proportionately. Benefits payable for periods of disability commencing on or after January 1, 1995, shall be based on Section 2655. For purposes of this division, income credits shall be included in the term "wages."

(c) (1) Any individual applying for or continuing elective coverage under this section shall be requested to sign an annual statement authorizing the department to verify the net profit declared on his or her Internal Revenue Service Schedule SE. Failure of the individual to sign a statement authorizing the department to verify income shall result in the individual being assigned an annual income level of four thousand six hundred dollars (\$4,600) for contribution and benefit purposes.

(2) Any individual applying for elective coverage shall submit a copy of his or her Internal Revenue Service Schedule SE filed on or before April 15 of the preceding year with his or her application for elective coverage in order to establish first-year contributions and benefits in excess of the minimum required to qualify for elective coverage.

(d) Any self-employed individual continuing elective coverage who fails to file an Internal Revenue Service Schedule SE by April 15 of each calendar year is required to remit contributions based upon the last year the self-employed individual filed an Internal Revenue Service Schedule SE.

(e) Any self-employed individual who has not yet filed an Internal Revenue Service Schedule SE shall be assigned an annual income level of four thousand six hundred dollars (\$4,600) for contribution and benefit purposes.

(f) Contributions required under this division are payable on and after the date stated in the approval of the director. The director may levy assessments under this division for any amount due when an elective coverage agreement has been in effect for less than two complete calendar years. Chapter 7 (commencing with Section 1701), relating to the collection of amount due, shall apply to this section.

(g) No benefits shall be paid to any individual based upon remuneration deemed to have been received pursuant to this section unless all contributions due with respect to all remuneration deemed to have been received by such individual pursuant to this section have been paid to the department.

(h) No benefits shall be paid to any individual based on elective coverage income credits in his or her base period if his or her elective coverage agreement has been terminated under paragraph (6) of subdivision (a) of Section 704.1.

(i) Notwithstanding subdivision (b) of Section 2627 and Sections 2627.3, 2627.5, and 2627.7, no benefits shall be paid to any individual

covered under this section, with respect to periods of disability commencing on or after January 1, 1994, until he or she has been unemployed and disabled for a waiting period of seven consecutive days during each disability benefit period.

(j) Notwithstanding Section 2653, with respect to periods of disability commencing on or after January 1, 1994, the maximum amount of benefits payable to an individual covered under this section during any one disability benefit period shall be 39 times his or her weekly benefit amount, but in no case shall the total amount of benefits payable be more than the total wages credited to the individual during his or her disability base period. If the benefit is not a multiple of one dollar (\$1), it shall be computed to the next higher multiple of one dollar (\$1).

(k) For purposes of this section, Internal Revenue Service Schedule SE is defined as Internal Revenue Service Form 1040 Schedule SE, or in the case of statutory employees under the Internal Revenue Code, it shall be defined as Internal Revenue Service Form 1040 Schedule C, or the California Income Tax Return, when accompanied by Internal Revenue Service Form W-2.

SEC. 4. Section 708.5 of the Unemployment Insurance Code is amended to read:

708.5. (a) Any individual who is self-employed, who is not an employer as defined in any provision of Article 3 (commencing with Section 675), of Chapter 3 of this part, and who receives the major part of his or her remuneration from the trade, business, or occupation in which he or she is self-employed, may file with the director a written election that his or her services in connection with his or her trade, business, or occupation shall be deemed to be services performed by an individual in employment for an employer for the purposes of Part 2 (commencing with Section 2601) only. Upon the approval of the election by the director, the services of that self-employed individual in connection with his or her trade, business, or occupation shall be deemed to constitute employment for an employer for the purposes of Part 2 only of this division. Regardless of his or her actual earnings, for the purpose of computing disability benefit rights and worker contributions, he or she shall be deemed to have received remuneration for each calendar quarter the highest amount of wages required to be entitled to the maximum benefit award provided in Section 2655. For contributions on or after July 1, 1994, the quarterly contribution shall be the product of one-fourth of the amount of net profit, but not less than one thousand one hundred fifty dollars (\$1,150), except when subparagraph (B) of paragraph (2) of subdivision (a) of Section 708 applies, reported on or before April 15 of the preceding year as declared on the Internal Revenue Service Schedule SE filed by an individual who is an employer under this division and the contribution rate established pursuant to Section 984.5, except as provided by Section 985. The quarterly contribution shall be reduced as set forth in subparagraph (B) of paragraph (2) of subdivision (a) of Section 708 if a disability

occurred during the quarter for which payment is being made. On January 1, 1995, quarterly income credits for the period from July 1, 1993, to June 30, 1994, inclusive, shall be changed to one-fourth of the net profit or four thousand six hundred dollars (\$4,600), whichever is greater, reported on or before April 15, 1993, as declared on the Internal Revenue Service Schedule SE for the 1992 taxable year filed by each individual having an elective coverage agreement in effect for that period or any portion thereof. If no Internal Revenue Service Schedule SE was filed, the individual shall be assigned a quarterly income credit of one thousand one hundred fifty dollars (\$1,150). Quarterly income credits for this period shall not exceed seven thousand nine hundred forty-two dollars (\$7,942). If quarterly income credits for the period from July 1, 1993, to June 30, 1994, inclusive, were reduced prior to January 1, 1995, the amended income credits shall be reduced proportionately. Benefits payable for periods of disability commencing on or after January 1, 1995, shall be based on the provisions of Section 2655. For purposes of this division, income credits shall be included in the term "wages."

(b) (1) Any individual applying for or continuing elective coverage under this section shall be requested to sign an annual statement authorizing the department to verify the net profit declared on his or her Internal Revenue Service Schedule SE. Failure of the individual to sign a statement authorizing the department to verify income shall result in the individual being assigned an annual income level of four thousand six hundred dollars (\$4,600) for contribution and benefit purposes.

(2) Any individual applying for elective coverage shall submit a copy of his or her Internal Revenue Service Schedule SE filed on or before April 15 of the preceding year with his or her application for elective coverage in order to establish first-year contributions and benefits in excess of the minimum required to qualify for elective coverage.

(c) Any self-employed individual continuing elective coverage who fails to file an Internal Revenue Service Schedule SE by April 15 of each calendar year is required to remit contributions based upon the last year the self-employed individual filed an Internal Revenue Service Schedule SE.

(d) Any self-employed individual who has not yet filed an Internal Revenue Service Schedule SE shall be assigned an annual income level of four thousand six hundred dollars (\$4,600) for contribution and benefit purposes.

(e) Worker contributions required under this division are payable on and after the date stated in the approval of the director. The director may levy assessments under this division for any amount due when an elective coverage agreement has been in effect for less than two complete calendar years. Chapter 7 (commencing with Section 1701), relating to the collection of amounts due, shall apply to this section.

(f) No benefits shall be paid to any individual based on elective

coverage income credits in his or her base period if his or her elective coverage agreement has been terminated under paragraph (6) of subdivision (a) of Section 704.1.

(g) No benefits shall be paid to any individual based upon remuneration deemed to have been received pursuant to this section unless all contributions due with respect to all remuneration deemed to have been received by that individual pursuant to this section have been paid to the department.

(h) Notwithstanding subdivision (b) of Section 2627 and Sections 2627.3, 2627.5, and 2627.7, no benefits shall be paid to any individual covered under this section, with respect to periods of disability commencing on or after January 1, 1994, until he or she has been unemployed and disabled for a waiting period of seven consecutive days during each disability benefit period.

(i) Notwithstanding Section 2653, with respect to periods of disability commencing on or after January 1, 1994, the maximum amount of benefits payable to an individual covered under this section during any one disability benefit period shall be 39 times his or her weekly benefit amount, but in no case shall the total amount of benefits payable be more than the total wages credited to the individual during his or her disability base period. If the benefit is not a multiple of one dollar (\$1), it shall be computed to the next higher multiple of one dollar (\$1).

(j) For purposes of this section, Internal Revenue Service Schedule SE is defined as Internal Revenue Service Form 1040 Schedule SE, or in the case of statutory employees under the Internal Revenue Code, it shall be defined as Internal Revenue Service Form 1040 Schedule C, or the California Income Tax Return, when accompanied by Internal Revenue Service Form W-2.

SEC. 5. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the California Constitution and shall go into immediate effect. The facts constituting the necessity are:

It is necessary that this act be effective for the 1994 tax year. Accordingly the act must take effect immediately as an urgency statute.

CHAPTER 126

An act to amend Sections 33050 and 37220 of the Education Code, relating to schools.

[Approved by Governor July 1, 1994. Filed with
Secretary of State July 1, 1994.]

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

SECTION 1. Section 33050 of the Education Code is amended to read:

33050. (a) The governing board of a school district or a county board of education may, on a districtwide or countywide basis or on behalf of one or more of its schools or programs, after a public hearing on the matter, request the State Board of Education to waive all or part of any section of this code or any regulation adopted by the State Board of Education that implements a provision of this code that may be waived, except:

(1) Article 1 (commencing with Section 15700) and Article 2 (commencing with Section 15780) of Chapter 6 of Part 10.

(2) Chapter 8 (commencing with Section 16000) and Chapter 9 (commencing with Section 16400) of Part 10.

(3) Chapter 22 (commencing with Section 17700), Chapter 23 (commencing with Section 17760), and Chapter 25 (commencing with Section 17785) of Part 10.

(4) Part 13 (commencing with Section 22000).

(5) Paragraph (8) of subdivision (a) of Section 37220.

(6) The following provisions of Part 23:

(A) Chapter 1 (commencing with Section 39000).

(B) Article 1 (commencing with Section 39100) to Article 6 (commencing with Section 39210), inclusive, of Chapter 2.

(C) Section 39248; Sections 39313 to 39325, inclusive; Sections 39360.5 and 39363 and subdivision (a) of Section 39363.5; and Sections 39618 to 39621, inclusive.

(7) Sections 52163, 52165, 52166, and 52178.

(8) Article 3 (commencing with Section 52850) of Chapter 12 of Part 28.

(9) The identification and assessment criteria relating to any categorical aid program, including Sections 52164.1 and 52164.6.

(10) Sections 41000 to 41360, inclusive; Sections 41420 to 41423, inclusive; Sections 41600 to 41866, inclusive; Sections 41920 to 42911, inclusive; Article 3 (commencing with Section 44930) of Chapter 4 of Part 25 ; Part 26 (commencing with Section 46000) and Chapter 6 (commencing with Section 48900) and Chapter 6.5 (commencing with Section 49060) of Part 27 ; or regulations in Title 5 of the California Code of Regulations adopted pursuant to Article 3 (commencing with Section 44930) of Chapter 4 of Part 25.

(b) Any waiver of provisions related to the programs identified in

Section 52851 shall be granted only pursuant to Article 3 (commencing with Section 52850) of Chapter 12 of Part 28.

(c) The waiver of an advisory committee required by law shall be granted only pursuant to Article 4 (commencing with Section 52870) of Chapter 12 of Part 28.

(d) Any request for a waiver submitted by the governing board of a school district or a county board of education pursuant to subdivision (a) shall include a written statement as to (1) whether the exclusive representative of employees, if any, as provided in Chapter 10.7 (commencing with Section 3540) of Division 4 of Title 1 of the Government Code, participated in the development of the waiver and (2) the exclusive representative's position regarding the waiver.

(e) Any request for a waiver submitted pursuant to subdivision (a) relating to a regional occupational center or program established pursuant to Article 1 (commencing with Section 52300) of Chapter 9 of Part 28, which is operated by a joint powers entity established pursuant to Chapter 5 (commencing with Section 6500) of Division 7 of Title 1 of the Government Code, shall be submitted as a joint waiver request for each participating school district and shall meet both of the following conditions:

(1) Each joint waiver request shall comply with all of the requirements of this article.

(2) The submission of a joint waiver request shall be approved by a unanimous vote of the governing board of the joint powers agency.

(f) The governing board of any school district requesting a waiver under this section of any provision of Article 5 (commencing with Section 39390) of Chapter 3 of Part 23 shall provide written notice of any public hearing it conducted pursuant to subdivision (a), at least 30 days prior to the hearing, to each public agency identified under Section 39394.

SEC. 2. Section 37220 of the Education Code is amended to read:

37220. (a) Except as otherwise provided, the public schools shall close on the following holidays:

(1) January 1.

(2) The third Monday in January or Monday or Friday in the week in which January 15 occurs, known as "Dr. Martin Luther King, Jr. Day." On the Friday preceding which day the schools are closed, schools shall include exercises commemorating and directing attention to the history of the civil rights movement in the United States and particularly the role therein of Dr. Martin Luther King, Jr.

(3) The Monday or Friday of the week in which February 12 occurs, known as "Lincoln Day." On the day that school is in session prior to the day on which schools are closed for that purpose, all public schools and educational institutions throughout the state shall hold exercises in memory of Abraham Lincoln.

(4) The third Monday in February, known as "Washington Day." On the Friday preceding, all public schools and educational

institutions throughout the state shall hold exercises in memory of George Washington.

(5) The last Monday in May, known as "Memorial Day."

(6) July 4.

(7) The first Monday in September, known as "Labor Day."

(8) November 11, known as "Veterans Day."

(9) That Thursday in November proclaimed by the President as "Thanksgiving Day."

(10) December 25.

(11) All days appointed by the Governor for a public fast, thanksgiving, or holiday, and all special or limited holidays on which the Governor provides that the schools shall close.

(12) All days appointed by the President as a public fast, thanksgiving, or holiday, unless it is a special or limited holiday.

(13) Any other day designated as a holiday by the governing board of the school district.

(b) When any of the holidays on which the schools would be closed falls on Sunday, the public schools shall close on the Monday following.

(c) When any of the holidays on which the schools would be closed falls on Saturday, the public schools shall close on the preceding Friday, and that Friday shall be declared a state holiday.

(d) If any holiday on which the public schools are required to close pursuant to subdivision (a) occurs under federal law on a date different from the date specified in subdivision (a), the governing board of any school district may close the public schools of the district on the date recognized by federal law and maintain classes on the date specified in subdivision (a).

(e) Except for Veterans Day, as designated in paragraph (8) of subdivision (a), the governing board of a school district, by adoption of a resolution, may revise the date upon which the schools of the district close in observance of any of the holidays identified in subdivision (a).

(f) The governing board of a school district may not request a waiver of paragraph (8) of subdivision (a) from the State Board of Education.

CHAPTER 127

An act to amend Section 16430 of the Government Code, relating to state funds.

[Approved by Governor July 1, 1994. Filed with
Secretary of State July 1, 1994.]

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

SECTION 1. It is the intent of the Legislature that investment in the state's exporting industry be facilitated through the investment of state surplus moneys. This investment is most fully utilized through investment in programs such as bank loans and obligations guaranteed by the Export-Import Bank of the United States. These guaranteed loans can provide significant advantages to the export of this state's goods and services and should be encouraged and promoted by the state's exporting programs.

SEC. 2. Section 16430 of the Government Code is amended to read:

16430. Eligible securities for the investment of surplus moneys shall be:

(a) Bonds or interest-bearing notes or obligations of the United States, or those for which the faith and credit of the United States are pledged for the payment of principal and interest.

(b) Bonds or interest-bearing notes on obligations that are guaranteed as to principal and interest by a federal agency of the United States.

(c) Bonds and notes of this state, or those for which the faith and credit of this state are pledged for the payment of principal and interest.

(d) Bonds or warrants, including, but not limited to, revenue warrants, of any county, city, metropolitan water district, California water district, California water storage district, irrigation district in the State of California, municipal utility district, or school district of this state.

(e) Bonds, consolidated bonds, collateral trust debentures, consolidated debentures, or other obligations issued by federal land banks or federal intermediate credit banks established under the Federal Farm Loan Act, as amended, in debentures and consolidated debentures issued by the Central Bank for Cooperatives and banks for cooperatives established under the Farm Credit Act of 1933, as amended, in bonds or debentures of the Federal Home Loan Bank Board established under the Federal Home Loan Bank Act, in stock, bonds, debentures and other obligations of the Federal National Mortgage Association established under the National Housing Act as amended, and in the bonds of any federal home loan bank established under said act, obligations of the Federal Home Loan Mortgage Corporation, in bonds, notes, and other obligations issued

by the Tennessee Valley Authority under the Tennessee Valley Authority Act as amended, and bonds, notes, and other obligations guaranteed by the Commodity Credit Corporation for the export of California agricultural products under the Commodity Credit Corporation Charter Act as amended.

(f) Commercial paper of "prime" quality as defined by a nationally recognized organization which rates these securities. Eligible paper is further limited to issuing corporations: (1) organized and operating within the United States; (2) having total assets in excess of five hundred million dollars (\$500,000,000); and (3) approved by the Pooled Money Investment Board. Purchases of eligible commercial paper may not exceed 180 days' maturity, represent more than 10 percent of the outstanding paper of an issuing corporation, nor exceed 30 percent of the resources of an investment program. At the request of the Pooled Money Investment Board, this investment shall be secured by the issuer by depositing with the Treasurer securities authorized by Section 53651 of a market value at least 10 percent in excess of the amount of the state's investment.

(g) Bills of exchange or time drafts drawn on and accepted by a commercial bank, otherwise known as bankers acceptances, which are eligible for purchase by the Federal Reserve System.

(h) Negotiable certificates of deposits issued by a nationally or state-chartered bank or savings and loan association or by a state-licensed branch of a foreign bank. For the purposes of this section, negotiable certificates of deposits do not come within the provisions of Chapter 4 (commencing with Section 16500) and Chapter 4.5 (commencing with Section 16600).

(i) The portion of bank loans and obligations guaranteed by the United States Small Business Administration or the United States Farmers Home Administration.

(j) Bank loans and obligations guaranteed by the Export-Import Bank of the United States.

(k) Student loan notes insured under the Guaranteed Student Loan Program established pursuant to the Higher Education Act of 1965, as amended (20 U.S.C. 1001, et seq.) and eligible for resale to the Student Loan Marketing Association established pursuant to Section 133 of the Education Amendments of 1972, as amended (20 U.S.C. 1087-2).

(l) Obligations issued, assumed, or guaranteed by the International Bank for Reconstruction and Development, the Inter-American Development Bank, the Asian Development Bank, the African Development Bank, the International Finance Corporation, or the Government Development Bank of Puerto Rico.

(m) Bonds, debentures, and notes issued by corporations organized and operating within the United States. Securities eligible for investment under this subdivision shall be within the top three ratings of a nationally recognized rating service.

CHAPTER 128

An act to add Section 2031.5 to the Code of Civil Procedure, and to add Section 523 to the Evidence Code, relating to real property.

[Approved by Governor July 1, 1994. Filed with
Secretary of State July 1, 1994.]

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

SECTION 1. Section 2031.5 is added to the Code of Civil Procedure, to read:

2031.5. In any action, regardless of who is the moving party, where (a) the boundary of land patented or otherwise granted by the state is in dispute, or (b) the validity of any state patent or grant dated prior to 1950 is in dispute, all parties shall have the duty to disclose to all opposing parties all nonprivileged relevant written evidence then known and available, including evidence against interest, relating to the above issues. This evidence shall be disclosed within 120 days after the filing with the court of proof of service upon all named defendants. Thereafter, the parties shall have the continuing duty to make all subsequently discovered relevant and nonprivileged written evidence available to the opposing parties.

SEC. 2. Section 523 is added to the Evidence Code, to read:

523. In any action where the state is a party, regardless of who is the moving party, where (a) the boundary of land patented or otherwise granted by the state is in dispute, or (b) the validity of any state patent or grant dated prior to 1950 is in dispute, the state shall have the burden of proof on all issues relating to the historic locations of rivers, streams, and other water bodies and the authority of the state in issuing the patent or grant.

This section is not intended to nor shall it be construed to supersede existing statutes governing disputes where the state is a party and regarding title to real property.

CHAPTER 129

An act to amend Section 18321 of, and to add Section 18003.6 to, the Financial Code, relating to industrial loan companies.

[Approved by Governor July 1, 1994. Filed with
Secretary of State July 1, 1994.]

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

SECTION 1. Section 18003.6 is added to the Financial Code, to read:

18003.6. "Certificate of deposit" as that term is used by an

industrial loan company licensed under this division means an investment certificate representing the obligation of an industrial loan company to repay a nondemand deposit as deposit is defined in Section 3(1) of the Federal Deposit Insurance Act.

SEC. 2. Section 18321 of the Financial Code is amended to read:

18321. (a) Nothing in this division authorizes an industrial loan company to receive deposits.

(b) Subject to Section 18315, an industrial loan company that is a member of the Federal Deposit Insurance Corporation pursuant to Section 18521.5 may use the term "certificate of deposit" as defined in Section 18003.6 with respect to an investment certificate that does not authorize either of the following:

(1) Redemption prior to its maturity.

(2) Reduction of the interest rate payable thereon other than a variable interest rate.

CHAPTER 130

An act to amend Sections 400, 401, 403, and 405 of the Insurance Code, relating to insurance.

[Approved by Governor July 1, 1994. Filed with
Secretary of State July 1, 1994.]

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

SECTION 1. Section 400 of the Insurance Code is amended to read:

400. (a) Except as otherwise provided in this article, commencing May 1, 1992, no policy or endorsement insuring a private passenger automobile as defined in paragraphs (1) and (2) of subdivision (a) of Section 660 shall be issued or amended by an insurer in this state to provide collision or comprehensive coverage, or both, to a person not formerly an insured of the insurer or to an insured not formerly insured by the insurer for those coverages unless the insurer or its designated authorized representative has inspected the automobile.

(b) Except as otherwise provided in this article, automobile collision or comprehensive coverage, or both, shall not be effective on an additional or replacement private passenger automobile until the insurer or its designated authorized representative has inspected the automobile.

(c) The inspection required by subdivision (a) shall be recorded on an inspection report adopted by the commissioner, however, an application for insurance which incorporates the provisions promulgated by the commissioner shall be deemed in compliance with this requirement. Two color photographs, taken as directed on the inspection report at angles which show the front, back, and sides

of the vehicle, shall be attached thereto. In addition, a color photograph shall be attached showing a closeup of the Safety Certification Label otherwise known as "49 CFR Part 567 Certification Label" containing the vehicle identification number (VIN), located on the driver's side door jamb. Where the Safety Certification Label is missing or where the photograph does not produce a legible reproduction of the VIN, the inspector shall include the required photograph and a photocopy or a close-up photograph of the current vehicle registration, showing the VIN and certifying on the inspection report that the VIN on the vehicle registration and the VIN on the Safety Certification Label, if not missing, are the same. The inspector shall indicate the circumstances of the missing Safety Certification Label or illegible reproduction of the VIN in the appropriate place on the inspection form. The inspector may take additional photographs showing any damaged areas, which shall also be attached to the report; however, no more than three photographs are required to be taken for each automobile inspected. A copy of the report, without photographs, shall be provided to the insured by the insurer.

(d) For purposes of this section, "color photograph" means any legally accepted technology which produces a retrievable visual image including, but not limited to, a photograph, videotape, digital or visual imagery, or other technology approved by the commissioner. Nothing in this article shall preclude an insurer from electronically storing photographs mandated by this section.

(e) The insurer shall retain a copy of the preinsurance inspection report and accompanying color photographs for a period of not less than two years from the date of the inspection and may thereafter discard or destroy the report and photographs.

SEC. 2. Section 401 of the Insurance Code is amended to read:

401. An insurer may waive or dispense with the mandatory inspection required by this article under any of the following circumstances:

- (a) The insured vehicle is a temporary substitute vehicle.
- (b) The insured vehicle is leased for less than six months, provided the insurer receives the lease or rental agreement containing a description of the vehicle, including its condition.
- (c) The vehicle is over seven model-years old.
- (d) The vehicle is a new and unused automobile purchased or leased from a dealer licensed under the Vehicle Code, and the insurer is provided with either a copy of the bill of sale or purchase order or conditional sales contract, as defined in subdivision (a) of Section 2981 of the Civil Code, that contains a full description of the automobile, including all options and accessories, or a copy of the federally mandated window sticker or the dealer invoice showing the itemized manufacturer-installed options and equipment in addition to the total retail price of the vehicle on which will be added together with a due bill or other descriptive evidence of any dealer-installed options purchased by the customer at the time of

sale. The collision or comprehensive coverage, or both, on the vehicle shall not be suspended during the term of the policy due to the insured's failure to provide the required document or documents, but payment of a claim shall be conditioned upon receipt by the insurer of the documents, and no collision or comprehensive loss occurring after the effective date of coverage shall be payable until the documents are provided to the insurer.

(e) The named insured provides evidence of insurance for comprehensive and collision coverage that has been in effect for a period of at least 12 months and is in force up to the effective date of transfer of insurance coverage with an admitted insurer.

(f) The vehicle is an additional or a replacement vehicle, and the named insured has been continuously insured for one or more policy years for automobile insurance with the same insurer, affiliate of that insurer, or through the same agency or brokerage.

(g) Where the insured's coverage is being transferred to a new insurer within an existing agency or production facility, or to a new agent or broker within the existing insurer or insurer group, and either: (1) the new insurer or agent or broker is provided with a copy of the inspection report completed on behalf of the previous insurer, or its designated representative provided the insured vehicle was inspected by the previous insurer within the last 12 months; or, (2) where the transfer is accompanied by evidence of insurance for comprehensive and collision coverage that has been in effect for a period of at least 12 months and is in force up to the effective date of transfer of insurance coverage. If the new insurer does not receive a copy of the inspection report within 60 days of the effective date of coverage, the new insurer shall cause an inspection to be performed within 30 days of notice to the insured.

(h) The insured vehicle is insured under a commercially rated policy that insures five or more vehicles.

(i) Whenever, with respect to the use of a nonowned vehicle by an insured where the insurer or its agent is notified of the use, the insurer or its agent determines it is reasonable to do so because the likelihood of a fraudulent physical damage claim is remote, including, but not limited to, when it is determined that the nonowned vehicle is insured under a policy providing automobile collision or comprehensive insurance and the vehicle has otherwise been inspected in accordance with this article.

(j) A buyer, borrower, or lessee of the vehicle is obligated under the terms of a conditional sale contract, loan agreement, note, or lease to maintain insurance on the vehicle and fails to procure or maintain the required coverage and the creditor or lessor procures the insurance in accordance with the conditional sale contract, loan agreement, note, or lease.

SEC. 3. Section 403 of the Insurance Code is amended to read:

403. (a) Inspections required or permitted by this article shall be made by a designated authorized representative or inspection service of the insurer at times and places reasonably convenient to

the insured, except that the insurer is not required to send an agent to the insured's home or place of business.

(b) An insurer shall utilize authorized representatives or inspection services who shall do all of the following:

(1) Be responsible for the accuracy, completeness, and signature of the inspector for each inspection report in writing.

(2) Utilize sequentially numbered inspection reports, by location, and maintain a control system on those reports. Alternatively, an insurer may utilize an internal system of distinctive identification which permits, by location, maintenance of a control system designed to prevent backdating or other fraudulent activity concerning the reports.

(3) For one year after the date of the inspection, retain and supply to the insurer, upon request, a copy of any inspection report.

(c) The insurer shall bear the cost of the inspection. Where the inspection is performed by an agent or broker, the insurer shall not be required to reimburse the agent or broker for the labor costs of those inspections but shall reimburse the agent or broker for the cost of film and developing associated with conducting the inspection. The cost of the inspection may be included as an administrative expense for ratemaking purposes.

(d) The inspection report shall be used by the insurer to document previous damage, prior condition, optional equipment and accessories, and mileage of the vehicle. Optional equipment and accessories listed shall include, but are not limited to, alarm systems, radar detectors, custom tires and wheels, and sound and communication systems, such as radios, stereos, tape decks, compact disks, and CB radios. Nothing in this section shall be interpreted to require the inspection to be used for the purpose of certifying the current registration of an automobile or the safety or function of the automobile or any of its optional equipment.

(e) The inspection report information and photographs as necessary shall be used by the insurer in the settlement of all collision or comprehensive claims, or both, in excess of two thousand dollars (\$2,000), except that when the inspection reveals no prior damage to the vehicle, the requirement to use the inspection report information and photographs in the settlement of the claim is satisfied if the insurer indicates the lack of prior damage in the records of the policy and those records are used in the settlement of the claim. The inspection report information and photographs as necessary shall be used and made part of the claim file in the settlement of all unrecovered theft claims or total loss claims. The inspection report shall be part of the claim file regardless of whether or not the loss payment is reduced based on the information contained in the report. The commissioner shall periodically increase the amount of damages for which it is necessary to utilize the inspection report to settle a collision or comprehensive claim to account for inflation.

(f) The commissioner shall adopt regulations as may be necessary,

including the promulgation of necessary forms to implement this section. In adopting forms to implement this section, the commissioner shall provide insurers with the option of using preapproved forms or incorporating standardized provisions into the application for coverage.

SEC. 4. Section 405 of the Insurance Code is amended to read: 405. As used in this article:

(a) "Temporary substitute vehicle" means any private passenger vehicle, not owned by the insured, while temporarily used with the permission of the owner as a substitute for the vehicle, owned or leased by the insured, while the latter is withdrawn from normal use because of a breakdown, repair, servicing, loss, or destruction.

(b) "Additional vehicle" means any new or used vehicle covered by this article that an insured requests be added to the insured's preexisting policy providing automobile collision or comprehensive coverage, or both.

(c) "Replacement vehicle" means any new or used vehicle covered by this article that an insured requests be added to the insured's preexisting policy providing automobile collision or comprehensive coverage, or both, in lieu of another vehicle covered by that policy. "Replacement vehicle" also includes a new or used vehicle covered by this article for which an insured requests coverage under a new policy issued to the insured providing automobile collision or comprehensive coverage, or both, that covers that vehicle and is issued by the insurer in lieu of another policy that provided coverage for the replaced vehicle.

CHAPTER 131

An act to add Section 12400.1 to the Insurance Code, relating to title insurance.

[Approved by Governor July 1, 1994. Filed with
Secretary of State July 1, 1994.]

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

SECTION 1. Section 12400.1 is added to the Insurance Code, to read:

12400.1. Article 5.6 (commencing with Section 1875.20) of Chapter 12 of Part 2 of Division 1 does not apply to title insurers.

CHAPTER 132

An act to add Title 12.3 (commencing with Section 93100) to the Government Code, relating to transportation.

[Approved by Governor July 1, 1994. Filed with
Secretary of State July 1, 1994.]

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

SECTION 1. Title 12.3 (commencing with Section 93100) is added to the Government Code, to read:

TITLE 12.3. SISKIYOU RAILROAD AUTHORITY

93100. This title shall be known and may be cited as the Siskiyou Railroad Authority Act.

93102. As used in this title, "authority" means the Siskiyou Railroad Authority.

93103. The authority is hereby created within the County of Siskiyou.

93104. The authority shall be governed by a board of five directors, three appointed by the board of supervisors of the County of Siskiyou, one of whom shall be a resident of the City of McCloud, and two appointed by the City Council of the City of Mount Shasta. Members of the board of supervisors and the city council may be appointed to and serve on the board of directors of the authority.

93105. The authority may do any of the following:

(a) Acquire, own, operate, and lease real and personal property directly related to the operation and maintenance of railroads.

(b) Acquire property by purchase, lease, or gift.

(c) Operate railroads.

(d) Accept grants or loans from state or federal agencies.

(e) Select a franchisee, which may be a public or private entity, to acquire or operate a rail transportation system within the area of the authority's jurisdiction.

93107. The authority may prepare a plan for the acquisition and operation of a railroad line, at no expense to the state.

93108. After preparation of a plan pursuant to Section 93107, the authority may do any of the following:

(a) Conduct engineering and other studies related to the acquisition of any railroad line.

(b) Evaluate alternative plans from the private sector to acquire, finance, and operate a railroad system.

(c) Establish criteria for the award of a franchise.

(d) Select a franchisee to acquire, finance, and operate the railroad system.

(e) Accept grants, gifts, fees, or allocations from other entities, including private and public sources.

(f) Employ an executive officer, other staff, and consultants deemed appropriate for support of the activities of the authority.

93110. The state is not liable for any contracts, debts, or other obligations of the authority.

CHAPTER 133

An act to amend and renumber Section 97.036 of the Revenue and Taxation Code, relating to taxation.

[Approved by Governor July 1, 1994. Filed with
Secretary of State July 1, 1994.]

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

SECTION 1. Section 97.036 of the Revenue and Taxation Code, as added by Section 1 of Chapter 901 of the Statutes of 1993, is amended and renumbered to read:

97.034. (a) Notwithstanding any other provision of this chapter, the amount of the revenue reduction resulting from the application of subdivision (c) of Section 97.03 to an amount equal to the amount of the water quality control compliance costs of a qualified special district for the 1992-93 fiscal year shall, for purposes of property tax revenue allocations for the 1993-94 fiscal year, be added to the amount of property tax revenue deemed allocated to that district in the 1992-93 fiscal year. The water quality control compliance costs of a qualified special district for the relevant fiscal year shall also be deducted from the amount of property tax revenue subject to reduction with respect to that district under Section 97.035 for the 1993-94 fiscal year, and under any statute with respect to any subsequent fiscal year that would reduce the amount of property tax revenue deemed allocated in the prior fiscal year to that district for purposes of increasing the amount of property tax revenue to be allocated to another jurisdiction.

(b) For purposes of this section:

(1) A "qualified special district" means any special district that is required to comply with Chapter 12 (commencing with Section 13950) of Division 7 of the Water Code.

(2) "Water quality control compliance costs" mean those costs, including, but not limited to, reserves for nongrowth facility augmentation and replacement and environmental protection, that are determined by the county auditor in accordance with subdivision (a) to have been incurred by a qualified special district in complying with Chapter 12 (commencing with Section 13950) of Division 7 of the Water Code.

(c) The auditor may assess each qualified special district its share of the auditor's actual and reasonable costs of complying with this section. For purposes of this subdivision, each share of costs shall be

determined in accordance with that district's proportional share of the total amount of water quality control compliance costs determined by the auditor for purposes of this section for each fiscal year.

CHAPTER 134

An act to amend Section 48205 of the Education Code, relating to education.

[Approved by Governor July 1, 1994. Filed with
Secretary of State July 1, 1994.]

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

SECTION 1. Section 48205 of the Education Code is amended to read:

48205. (a) Notwithstanding Section 48200, a pupil shall be excused from school for justifiable personal reasons, including, but not limited to, an appearance in court, attendance at a funeral service, observance of a holiday or ceremony of his or her religion, attendance at religious retreats, or attendance at an employment conference, when the pupil's absence has been requested in writing by the parent or guardian and approved by the principal or a designated representative pursuant to uniform standards established by the governing board. A pupil shall also be excused from school when he or she is the custodial parent of a child who is ill or has a medical appointment during school hours.

(b) A pupil absent from school under this section shall be allowed to complete all assignments and tests missed during the absence that can be reasonably provided and, upon satisfactory completion, shall be given full credit therefor. The teacher of any class from which a pupil is absent shall determine, pursuant to the regulations of the governing board of the school district, what assignments the pupil shall make up and in what period of time the pupil shall complete those assignments. The tests and assignments shall be reasonably equivalent to, but not necessarily identical to, the tests and assignments that the pupil missed during the absence.

(c) For purposes of this section, attendance at religious retreats shall not exceed four hours per semester.

(d) Absences pursuant to this section are deemed to be absences in computing average daily attendance and shall not generate state apportionment payments, except as otherwise provided by Article 1 (commencing with Section 46000) of Chapter 1 of Part 26, including, but not limited to, an absence for the purpose of attending the funeral services of a member of a pupil's immediate family.

CHAPTER 135

An act to amend Sections 5921, 17070, and 17205 of, and to add Sections 12467, 17211, and 17212 to, the Government Code, relating to state finances.

[Approved by Governor July 1, 1994. Filed with Secretary of State July 1, 1994.]

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

SECTION 1. Section 5921 of the Government Code is amended to read:

5921. As used in this chapter, the following definitions apply, unless the context otherwise indicates or requires another or different meaning or intent:

(a) "Bonds" mean bonds, notes, bond anticipation notes, commercial paper, or other evidences of indebtedness, or reimbursement warrants or refunding warrants, or lease, installment purchase, or other agreements or certificates of participation therein.

(b) "State or local government" means the state, any department, agency, board, commission, or authority of the state, or any city, city and county, county, public district, public corporation, authority, agency, board, commission, or other public entity.

SEC. 2. Section 12467 is added to the Government Code, to read:

12467. (a) (1) The Legislature finds and declares that the General Fund has experienced significant deficits in recent years due to economic factors and extraordinary demand for public services supported by the General Fund. In order to meet the cash needs of the state it has been necessary to obtain external loans. The Legislature desires to provide a specific mechanism to eliminate chronic General Fund cash deficits, provide fiscal stability and facilitate temporary, short-term borrowing.

(2) For purposes of this section, "unused borrowable resources," as of any date, means total available borrowable resources on that date less total cumulative loan balances on that date.

(b) On November 15, 1994, the Controller shall provide a detailed report to the Legislature and the Governor of the estimated cash condition of the General Fund for the 1994-95 fiscal year. The Legislative Analyst shall prepare an analysis of General Fund revenues and expenditures for the 1994-95 fiscal year for use by the Controller in the estimate of the 1994-95 General Fund cash condition. The Legislative Analyst shall review the Controller's estimate of the General Fund cash condition and within five working days shall advise the Controller, the Treasurer, the Chairperson of the Joint Legislative Budget Committee, and the Director of Finance whether that estimate reasonably reflects anticipated expenditures and revenues during the fiscal year. The Controller's report shall

identify the amount of any 1995 cash shortfall, as set forth in this subdivision. To that end, the Controller shall identify the projected amount by which the unused borrowable resources on June 30, 1995, will differ from the unused borrowable resources on June 30, 1995, as indicated in the cash-flow analysis included in the official statement accompanying the sale of the July 1994 revenue anticipation warrants. If the Controller's report identifies a decrease in the unused borrowable resources on June 30, 1995, of more than four hundred thirty million dollars (\$430,000,000), then the 1995 cash shortfall shall be the amount of the difference that exceeds four hundred thirty million dollars (\$430,000,000). On or before January 10, 1995, the Governor shall propose legislation providing for sufficient General Fund expenditure reductions, revenue increases, or both, to offset the amount of the estimated 1995 cash shortfall as reported by the Controller. This legislation, or legislation providing equivalent expenditure reductions, revenue increases, or both, shall be enacted on or before February 15, 1995.

(c) The Director of Finance shall include updated cash-flow statements for the 1994-95 and 1995-96 fiscal years in the May revision to the budget proposal for the 1995-96 fiscal year submitted to the Legislature pursuant to Section 13308. The revised budget proposal for the 1995-96 fiscal year shall not result in any projected negative amount of unused borrowable resources as of June 30, 1996. By June 1, 1995, the Controller shall concur with those updated statements or provide a report to the Governor and the Legislature identifying specific corrections, objections, or concerns and the Controller's estimate of the cash condition of the General Fund for the 1994-95 and 1995-96 fiscal years. If the Controller identifies any projected negative amount of unused borrowable resources as of June 30, 1996, then the Governor shall propose additional General Fund expenditure reductions, revenue increases, or both, to eliminate that cash shortfall. The enacted budget shall not result in any projected negative unused borrowable resources as of June 30, 1996.

(d) On October 15, 1995, the Controller shall provide a detailed report to the Legislature and the Governor of the estimated cash condition of the General Fund for the 1995-96 fiscal year. The Legislative Analyst shall prepare an analysis of General Fund revenues and expenditures for the 1995-96 fiscal year for use by the Controller in the estimate of the 1995-96 General Fund cash condition. The Legislative Analyst shall review the Controller's estimate of the General Fund cash condition and within five working days shall advise the Controller, the Treasurer, the Chairperson of the Joint Legislative Budget Committee, and the Director of Finance whether that estimate reasonably reflects anticipated expenditures and revenues during the fiscal year. The Controller's report shall identify the amount of any 1996 cash shortfall, as set forth in this subdivision. The Controller shall identify the projected amount of unused borrowable resources as of June 30, 1996. If the Controller's

report identifies a negative amount of unused borrowable resources as of June 30, 1996, then the 1996 cash shortfall shall be the amount necessary to bring the balance of unused borrowable resources on June 30, 1996, to zero. Within 10 days of the Legislative Analyst's review, the Governor shall propose legislation providing for sufficient General Fund expenditure reductions, revenue increases, or both, to offset the estimated 1996 cash shortfall as reported by the Controller. This legislation, or legislation providing equivalent expenditure reductions, revenue increases, or both, shall be enacted on or before December 1, 1995.

(e) (1) If the legislation required by subdivision (b) is not enacted, within five days the Director of Finance shall reduce all General Fund appropriations for the 1994-95 fiscal year, except those required by subdivision (b) of Section 8 of Article XVI, Section 25 of Article XIII, Section 6 of Article XIII B, or any other provision of the California Constitution, and general obligation debt service, or law of the United States, by the percentage equal to the ratio of the 1995 cash shortfall to total remaining General Fund appropriations for the 1994-95 fiscal year, after excluding the appropriations that are not subject to reduction.

(2) If the legislation required by subdivision (d) is not enacted, within five days the Director of Finance shall reduce all General Fund appropriations for the 1995-96 fiscal year, except those required by subdivision (b) of Section 8 of Article XVI, Section 25 of Article XIII, Section 6 of Article XIII B, or any other provision of the California Constitution, and General Obligation debt service, or law of the United States, by the percentage equal to the ratio of the 1996 cash shortfall to total remaining General Fund appropriations for the 1995-96 fiscal year, after excluding the appropriations that are not subject to reduction.

(3) Notwithstanding any other provision of law, in the event a General Fund appropriation that is reduced pursuant to paragraph (1) or (2) is for a program under which individuals other than an officer or employee of the state receive an amount determined pursuant to statute, whether that amount is an entitlement or not, that amount shall be reduced by the same percentage as the General Fund appropriation from which that payment is made is reduced.

(f) The State of California hereby pledges to and agrees with the holders of any registered reimbursement warrants and any revenue anticipation notes issued in July 1994, and any banking institutions that provide credit support for these warrants or notes, that the state will not limit or alter the obligation hereby required of the state by this section until the registered reimbursement warrants and revenue anticipation notes, together with interest thereon, are fully met and discharged.

SEC. 3. Section 17070 of the Government Code is amended to read:

17070. Whenever any warrant issued by the Controller is unpaid for four years after it becomes payable, sufficient unapplied moneys

having been available for the payment of the warrant and for the payment of all senior obligations, the Controller shall cancel it.

SEC. 4. Section 17205 of the Government Code is amended to read:

17205. Notwithstanding any provision of the Uniform Commercial Code, all registered warrants are negotiable instruments.

SEC. 5. Section 17211 is added to the Government Code, to read:

17211. Warrants issued and registered for the purpose of paying any and all obligations owed by the state under or in connection with any credit enhancement or liquidity agreement (including in the form of a letter of credit, standby purchase agreement, liquidity facility, or other similar arrangement) entered into by the state to secure or support any reimbursement warrants or refunding warrants issued pursuant to this chapter shall be based upon the same claims, and shall have the same priority as to payment from unapplied money in the General Fund, as the reimbursement warrants or refunding warrants paid with funds disbursed under or in connection with the credit enhancement or liquidity agreement. These warrants shall be issued and registered in the amounts requested by the provider of the credit enhancement or liquidity agreement.

SEC. 6. Section 17212 is added to the Government Code, to read:

17212. If at any time it is necessary to register warrants pursuant to this chapter for the payment of principal of or interest on notes issued pursuant to Section 17302 or for the payment of any obligations of the state under any credit enhancement or liquidity agreement (including in the form of a letter of credit, standby purchase agreement, reimbursement agreement, liquidity facility, or other similar arrangement) authorized pursuant to Section 5922, notwithstanding Section 17222, the warrants shall bear interest at the rate specified in the notes or the credit enhancement or liquidity agreement, as the case may be.

CHAPTER 136

An act to add Section 5924 to, and to add and repeal Article 6 (commencing with Section 17296) of Chapter 2 of Part 4 of Division 4 of Title 2 of, the Government Code, and to amend Sections 7102 and 30125 of the Revenue and Taxation Code, relating to state finances, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 4, 1994. Filed with
Secretary of State July 5, 1994.]

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

SECTION 1. Section 5924 is added to the Government Code, to read:

5924. Notwithstanding Section 13340, there is hereby continuously appropriated without regard to fiscal years, from the General Fund in the State Treasury for the purpose of this chapter, an amount that will equal the sum annually as will be necessary to pay all obligations, including principal, interest, fees, costs, indemnities, and all other amounts, incurred by the state under or in connection with any credit enhancement or liquidity agreement (including in the form of a letter of credit, standby purchase agreement, reimbursement agreement, liquidity facility, or other similar arrangement) entered into by the state pursuant to this chapter.

SEC. 2. Article 6 (commencing with Section 17296) is added to Chapter 2 of Part 4 of Division 4 of Title 2 of the Government Code, to read:

Article 6. Warrant Payment Fund

17296. It is the intent of the Legislature, in enacting this article, to provide assurances to the persons who invest in the state's registered reimbursement warrants that funds will be set aside in the Warrant Payment Fund and will be used to retire the registered reimbursement warrants at maturity.

17296.1. (a) The Warrant Payment Fund is hereby created in the State Treasury for the purpose of setting aside unapplied moneys in the General Fund for the payment and redemption of registered reimbursement warrants issued during the 1994-95 fiscal year and maturing in the 1995-96 fiscal year. The Warrant Payment Fund shall consist of all funds deposited therein pursuant to this article. Except as provided in Section 17296.4, the moneys in the Warrant Payment Fund shall only be available for transfer to the General Fund to redeem registered reimbursement warrants.

(b) Notwithstanding Section 13340, the Warrant Payment Fund is continuously appropriated, without regard to fiscal years, for the purposes specified in this article.

17296.2. The Controller shall transfer from unapplied moneys in the General Fund to the Warrant Payment Fund the total amount of four billion dollars (\$4,000,000,000) plus interest necessary to redeem the warrants identified in subdivision (a) of Section 17296.1, to be transferred in four equal installments on or before each of the following dates: September 30, 1995, November 30, 1995, January 31, 1996, and April 24, 1996.

17296.3. The Controller shall transfer funds from the Warrant

Payment Fund to the General Fund to pay and redeem registered reimbursement warrants at maturity.

17296.4. Moneys in the Warrant Payment Fund shall be available for transfer to the General Fund pursuant to Section 16310.

17296.5. Unless registered reimbursement warrants remain outstanding, this article shall be in effect only until July 1, 1996, and as of that date is repealed. If registered reimbursement warrants remain outstanding July 1, 1996, this article shall continue in effect until the warrants are paid. Any balance in the Warrant Payment Fund as of the date of repeal of this article shall be transferred to the General Fund.

SEC. 3. Section 7102 of the Revenue and Taxation Code is amended to read:

7102. The money in the fund shall, upon order of the Controller, be drawn therefrom for refunds under this part, and pursuant to Section 1793.25 of the Civil Code, or be transferred in the following manner:

(a) (1) All revenues, less refunds, derived under this part at the $4\frac{3}{4}$ -percent rate, including the imposition of sales and use taxes with respect to the sale, storage, use, or other consumption of motor vehicle fuel which would not have been received if the sales and use tax rate had been 5 percent and if motor vehicle fuel, as defined for purposes of the Motor Vehicle Fuel License Tax Law (Part 2 (commencing with Section 7301)), had been exempt from sales and use taxes, shall be estimated by the State Board of Equalization, with the concurrence of the Department of Finance, and shall be transferred quarterly to the Transportation Planning and Development Account, a trust fund in the State Transportation Fund.

(2) All revenues, less refunds, derived under this part at the $4\frac{3}{4}$ -percent rate, resulting from increasing after December 31, 1989, the rate of tax imposed pursuant to the Motor Vehicle Fuel License Tax Law on motor vehicle fuel, as defined for purposes of that law, shall be transferred quarterly to the Transportation Planning and Development Account, a trust fund in the State Transportation Fund.

(3) All revenues, less refunds, derived under this part at the $4\frac{3}{4}$ -percent rate from the imposition of sales and use taxes on fuel, as defined for purposes of the Use Fuel Tax Law (Part 3 (commencing with Section 8601)), shall be estimated by the State Board of Equalization, with the concurrence of the Department of Finance, and shall be transferred quarterly to the Transportation Planning and Development Account, a trust fund in the State Transportation Fund.

(4) All revenues, less refunds, derived under this part from a rate of more than $4\frac{3}{4}$ percent pursuant to Sections 6051.1 and 6201.1 for the period December 1, 1989, to June 5, 1990, inclusive, shall be transferred to the Disaster Relief Fund created by Section 16419 of the Government Code.

(5) All revenues, less refunds, derived under this part from a rate of more than $4\frac{3}{4}$ percent pursuant to Sections 6051.1 and 6201.1 for the period June 6, 1990, to December 31, 1990, inclusive, which is attributable to the imposition of sales and use taxes with respect to the sale, storage, use, or other consumption of tangible personal property other than fuel, as defined for purposes of the Use Fuel Tax Law (Part 3 (commencing with Section 8601)), shall be transferred to the Disaster Relief Fund created by Section 16419 of the Government Code.

(6) All revenues, less refunds, derived under this part from a rate of more than $4\frac{3}{4}$ percent pursuant to Sections 6051.1 and 6201.1 for the period June 6, 1990, to December 31, 1990, inclusive, which is attributable to the imposition of sales and use taxes with respect to the sale, storage, use, or other consumption of fuel, as defined for purposes of the Use Fuel Tax Law (Part 3 (commencing with Section 8601)), shall be transferred to the Disaster Relief Fund created by Section 16419 of the Government Code.

(7) All revenues, less refunds, derived under this part from the taxes imposed pursuant to Sections 6051.2 and 6201.2 shall be transferred to the Sales Tax Account of the Local Revenue Fund for allocation to cities and counties as prescribed by statute.

(8) All revenues, less refunds, derived under this part from the taxes imposed pursuant to Sections 6051.6 and 6201.6 shall be transferred to the Interim Public Safety Account in the Local Public Safety Fund created in Section 30051 of the Government Code for allocation to counties as prescribed by statute.

(9) All revenues, less refunds, derived from the taxes imposed pursuant to Section 35 of Article XIII of the California Constitution shall be transferred to the Public Safety Account in the Local Public Safety Fund created in Section 30051 of the Government Code for allocation to counties as prescribed by statute.

(10) An amount equal to all revenues, less refunds, derived under this part at a $4\frac{3}{4}$ -percent rate for the period between January 1, 1994, and July 1, 1994, from the increase in sales and use tax revenue attributable to the increase in the rate of the federal motor vehicle fuel tax between January 1, 1993, and the rate in effect on January 1, 1994, shall be estimated by the State Board of Equalization, with the concurrence of the Department of Finance, and an amount equal to that amount, but not exceeding seven million five hundred thousand dollars (\$7,500,000) shall be transferred from the Retail Sales Tax Fund to the Small Business Expansion Fund created by Article 5 (commencing with Section 14030) of Chapter 1 of Part 5 of Division 3 of Title 1 of the Corporations Code.

(b) The balance shall be transferred to the General Fund.

(c) The estimates required by subdivision (a) shall be based on taxable transactions occurring during a calendar year, and the transfers required by subdivision (a) shall be made during the fiscal year that commences during that same calendar year. Transfers required by paragraphs (1), (2), and (3) of subdivision (a) shall be

made quarterly.

(d) Notwithstanding the designation of the Transportation Planning and Development Account as a trust fund pursuant to subdivision (a), the Controller may use the Transportation Planning and Development Account for loans to the General Fund as provided in Sections 16310 and 16381 of the Government Code. The loans shall be repaid with interest from the General Fund at the Pooled Money Investment Account rate.

(e) The Legislature may amend this section, by statute passed in each house of the Legislature by rollcall vote entered in the journal, two-thirds of the membership concurring, if the statute is consistent with, and furthers the purposes of this section.

SEC. 4. Section 30125 of the Revenue and Taxation Code is amended to read:

30125. Funds expended pursuant to this article shall be used only for the purposes expressed in this article and shall be used to supplement existing levels of service and not to fund existing levels of service. The fund and accounts in the fund may be used for loans to the General Fund as provided in Sections 16310 and 16381 of the Government Code. The loans shall be repaid with interest from the General Fund at the Pooled Money Investment Account rate.

SEC. 5. The Legislature hereby finds and declares that the amendment to Section 7102 of the Revenue and Taxation Code made by this act is consistent with and furthers the purpose of Proposition 116, which was enacted at the June 5, 1990, statewide election.

SEC. 6. The Legislature hereby finds and declares that the amendment to Section 30125 of the Revenue and Taxation Code made by this act is consistent with the purposes of the Tobacco Tax and Health Protection Act of 1988.

SEC. 7. (a) For purposes of this section, "unused borrowable resources," as of any date, means total available borrowable resources on that date less total cumulative loan balances on that date.

(b) On November 15, 1994, the Controller shall provide a detailed report to the Legislature and the Governor of the estimated cash condition of the General Fund for the 1994-95 fiscal year. The Legislative Analyst shall prepare an analysis of General Fund revenues and expenditures for the 1994-95 fiscal year for use by the Controller in the estimate of the 1994-95 General Fund cash condition. The Legislative Analyst shall review the Controller's estimate of the General Fund cash condition and within five working days shall advise the Controller, the Treasurer, the Chairperson of the Joint Legislative Budget Committee, and the Director of Finance whether that estimate reasonably reflects anticipated expenditures and revenues during the fiscal year. The Controller's report shall identify the amount of any 1995 cash shortfall, as set forth in this section. To that end, the Controller shall identify the projected amount by which the unused borrowable resources on June 30, 1995, will differ from the unused borrowable resources on June 30, 1995,

as indicated in the cash-flow analysis included in the official statement accompanying the sale of the July 1994 revenue anticipation warrants. If the Controller's report identifies a decrease in the unused borrowable resources on June 30, 1995, of more than four hundred thirty million dollars (\$430,000,000), then the 1995 cash shortfall shall be the amount of the difference that exceeds four hundred thirty million dollars (\$430,000,000).

SEC. 8. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

The state is facing a serious cash shortfall that requires immediate action. In order to facilitate the issuance of revenue anticipation notes and reimbursement warrants, make available additional internal borrowable resources to assist the state in meeting its cash needs, and avoid disruption of essential government services, it is necessary that this act take immediate effect.

CHAPTER 137

An act to amend Section 68 of Chapter 1226 of the Statutes of 1991, relating to local government finance, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 7, 1994. Filed with
Secretary of State July 7, 1994.]

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

SECTION 1. Section 68 of Chapter 1226 of the Statutes of 1991 is amended to read:

Sec. 68. In the case of the City of Marina in the County of Monterey, the Controller shall determine that the population of the city is the population certified by the Demographic Research Unit of the Department of Finance plus the population within the Frederick Park and Schoonover Park subdivisions of Fort Ord, as determined by the Demographic Research Unit, as if those subdivisions were within the City of Marina. The Controller shall use the population for the City of Marina as determined pursuant to this section when disbursing money pursuant to Sections 8352.6 and 11005 of the Revenue and Taxation Code and Sections 2105, 2106, 2107, and 2107.5 of the Streets and Highways Code. The Controller shall use the population for the City of Marina as determined pursuant to this section until the subdivisions are annexed to the City of Marina or until a nongovernmental entity acquires the subdivisions from government, whichever comes first.

SEC. 2. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within

the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

There will be a transfer of the property that is the subject of Section 1 of this act prior to January 1, 1995. In order for the residents of the state to have the benefit of this bill at the earliest possible time, it is necessary for this act to take effect immediately.

CHAPTER 138

An act to amend Sections 7093.5 and 19442 of, and to repeal Section 7093 of, the Revenue and Taxation Code, relating to taxation, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 7, 1994. Filed with
Secretary of State July 7, 1994.]

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

SECTION 1. Section 7093 of the Revenue and Taxation Code is repealed.

SEC. 2. Section 7093.5 of the Revenue and Taxation Code is amended to read:

7093.5. (a) It is the intent of the Legislature that the State Board of Equalization, its staff, and the Attorney General pursue settlements as authorized under this section with respect to civil tax matters in dispute that are the subject of protests, appeals, or refund claims, consistent with a reasonable evaluation of the costs and risks associated with litigation of these matters.

(b) (1) Subject to paragraph (2), the executive director or chief counsel, if authorized by the executive director, of the board may recommend to the State Board of Equalization, itself, a settlement of any civil tax matter in dispute.

(2) No recommendation of settlement shall be submitted to the board unless and until that recommendation has been submitted by the executive director or chief counsel to the Attorney General. Within 30 days of receiving that recommendation, the Attorney General shall review the recommendation and advise in writing the executive director or chief counsel of the board of his or her conclusions as to whether the recommendation is reasonable from an overall perspective. The executive director or chief counsel shall, with each recommendation of settlement submitted to the board, also submit the Attorney General's written conclusions obtained pursuant to this paragraph.

(c) Whenever a reduction of tax in settlement in excess of five hundred dollars (\$500) is approved pursuant to this section, there shall be placed on file in the office of the executive director of the board a public record with respect to that settlement. The public

record shall include all of the following information:

(1) The name or names of the taxpayers who are parties to the settlement.

(2) The total amount in dispute.

(3) The amount agreed to pursuant to the settlement.

(4) A summary of the reasons why the settlement is in the best interests of the State of California.

(5) The Attorney General's conclusion as to whether the recommendation of settlement was reasonable from an overall perspective.

The public record shall not include any information that relates to any trade secret, patent, process, style of work, apparatus, business secret, or organizational structure that, if disclosed, would adversely affect the taxpayer or the national defense.

(d) The members of the State Board of Equalization shall not participate in the settlement of tax matters pursuant to this section, except as provided in subdivision (e).

(e) (1) Any recommendation for settlement shall be approved or disapproved by the board, itself, within 45 days of the submission of that recommendation to the board. Any recommendation for settlement that is not either approved or disapproved by the board within 45 days of the submission of that recommendation shall be deemed approved. Upon approval of a recommendation for settlement, the matter shall be referred back to the executive director or chief counsel in accordance with the decision of the board.

(2) Disapproval of a recommendation for settlement shall be made only by a majority vote of the board. Where the board disapproves a recommendation for settlement, the matter shall be remanded to board staff for further negotiation, and may be resubmitted to the board, in the same manner and subject to the same requirements as the initial submission, at the discretion of the executive director or chief counsel.

(f) All settlements entered into pursuant to this section shall be final and nonappealable, except upon a showing of fraud or misrepresentation with respect to a material fact.

(g) Any proceedings undertaken by the board itself pursuant to a settlement as described in this section shall be conducted in a closed session or sessions. Except as provided in subdivision (c), any settlement entered into pursuant to this section shall constitute confidential tax information for purposes of Section 7056.

(h) This section shall apply only to civil tax matters in dispute on or after the effective date of the act adding this subdivision.

(i) The Legislature finds that it is essential for fiscal purposes that the settlement program authorized by this section be expeditiously implemented. Accordingly, Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code shall not apply to any determination, rule, notice, or guideline established or issued by the board in implementing and administering the

settlement program authorized by this section.

SEC. 3. Section 19442 of the Revenue and Taxation Code is amended to read:

19442. (a) It is the intent of the Legislature that the Franchise Tax Board, its staff, and the Attorney General pursue settlements as authorized under this section with respect to civil tax matters in dispute that are the subject of protests, appeals, or refund claims, consistent with a reasonable evaluation of the costs and risks associated with litigation of these matters.

(b) (1) Except as provided in paragraph (3) and subject to paragraph (2), the executive officer or chief counsel, if authorized by the executive officer, of the Franchise Tax Board may recommend to the Franchise Tax Board, itself, a settlement of any civil tax matter in dispute.

(2) No recommendation of settlement shall be submitted to the Franchise Tax Board, itself, unless and until that recommendation has been submitted by the executive officer or chief counsel to the Attorney General. Within 30 days of receiving that recommendation, the Attorney General shall review the recommendation and advise in writing the executive officer or chief counsel of the Franchise Tax Board of his or her conclusions as to whether the recommendation is reasonable from an overall perspective. The executive officer or chief counsel shall, with each recommendation of settlement submitted to the Franchise Tax Board, itself, also submit the Attorney General's written conclusions obtained pursuant to this paragraph.

(3) A settlement of any civil tax matter in dispute involving a reduction of tax or penalties in settlement, the total of which reduction of tax and penalties in settlement does not exceed five thousand dollars (\$5,000), may be approved by the executive officer and chief counsel, jointly. The executive officer shall notify the Franchise Tax Board, itself, of any settlement approved pursuant to this paragraph.

(c) Whenever a reduction of tax or penalties or total tax and penalties in settlement in excess of five hundred dollars (\$500) is approved pursuant to this section, there shall be placed on file in the office of the executive officer of the Franchise Tax Board a public record with respect to that settlement. The public record shall include all of the following information:

(1) The name or names of the taxpayers who are parties to the settlement.

(2) The total amount in dispute.

(3) The amount agreed to pursuant to the settlement.

(4) A summary of the reasons why the settlement is in the best interests of the State of California.

(5) For any settlement approved by the Franchise Tax Board, itself, the Attorney General's conclusion as to whether the recommendation of settlement was reasonable from an overall perspective.

The public record shall not include any information that relates to any trade secret, patent, process, style of work, apparatus, business secret, or organizational structure, that if disclosed, would adversely affect the taxpayer or the national defense.

(d) The members of the Franchise Tax Board shall not participate in the settlement of tax matters pursuant to this section, except as provided in subdivision (e).

(e) (1) Any recommendation for settlement shall be approved or disapproved by the Franchise Tax Board, itself, within 45 days of the submission of that recommendation. Any recommendation for settlement that is not either approved or disapproved by the Franchise Tax Board, itself, within 45 days of the submission of that recommendation shall be deemed approved. Upon approval of a recommendation for settlement, the matter shall be referred back to the executive officer or chief counsel in accordance with the decision of the Franchise Tax Board.

(2) Disapproval of a recommendation for settlement shall be made only by a majority vote of the Franchise Tax Board. Where the Franchise Tax Board disapproves a recommendation for settlement, the matter shall be remanded to Franchise Tax Board staff for further negotiation, and may be resubmitted to the Franchise Tax Board, in the same manner and subject to the same requirements as the initial submission, at the discretion of the executive officer or chief counsel.

(f) All settlements entered into pursuant to this section shall be final and nonappealable, except upon a showing of fraud or misrepresentation with respect to a material fact.

(g) Any proceedings undertaken by the Franchise Tax Board itself pursuant to a settlement as described in this section shall be conducted in a closed session or sessions. Except as provided in subdivision (c), any settlement entered into pursuant to this section shall constitute confidential tax information for purposes of Article 2 (commencing with Section 19542) of Chapter 7.

(h) This section shall apply only to civil tax matters in dispute existing on or after the effective date of the act adding this subdivision.

(i) The Legislature finds that it is essential for fiscal purposes that the settlement program authorized by this section be expeditiously implemented. Accordingly, Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code shall not apply to any determination, rule, notice, or guideline established or issued by the Franchise Tax Board in implementing and administering the settlement program authorized by this section.

SEC. 4. The State Auditor shall, on or before January 1, 1999, report to the Legislature on the merits of the settlement program established pursuant to Sections 2 and 3 of this act.

SEC. 5. The sum of two million four hundred eighty-nine thousand dollars (\$2,489,000) is hereby appropriated for the 1994-95 fiscal year from the General Fund to the Department of Finance for allocation to the following agencies to reimburse them for costs

incurred in implementing this act:

(a) To the Franchise Tax Board, in an amount equal to one million eight hundred forty-seven thousand dollars (\$1,847,000).

(b) To the State Board of Equalization, in an amount equal to five hundred twenty-two thousand dollars (\$522,000).

(c) To the Department of Justice, in an amount equal to one hundred twenty thousand dollars (\$120,000).

SEC. 6. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to provide essential state revenues and reduce unnecessary program disruption, it is necessary that this act take effect immediately.

CHAPTER 139

An act making appropriations for the support of the government of the State of California and for several public purposes in accordance with the provisions of Section 12 of Article IV of the Constitution of the State of California, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 8, 1994. Filed with
Secretary of State July 8, 1994.]

I object to the following appropriations contained in Senate Bill 2120:

Item 0974-001-918—For support of the California Pollution Control Financing Authority, payable from the Small Business Expansion Fund. I delete this item.

The \$750,000 augmentation would result in a reduction in the amount of funds that would otherwise be available to provide assistance to small businesses through the Small Business Loan Guarantee Program and the Surety Bond Program. These programs have a proven track record in creating jobs and investment in California.

Item 1760-001-666—For support of the Department of General Services. I am deleting Provision 3.

I am deleting Provision 3 which would require that any balance in the Building Rental Account on June 30, 1994 and on June 30, 1995 be used to complete high-priority deferred maintenance projects, rather than be transferred to the General Fund pursuant to existing provisions of law. Although there may be a backlog of such projects, given the state's current fiscal situation, I am concerned about establishing a precedent of diverting any potential revenues to the General Fund for other purposes.

Item 1760-001-768—For support of the Department of General Services. I delete Provision 1.

I am deleting Provision 1, which specifies that the Department shall limit the use of Earthquake Safety and Public Buildings Rehabilitation Bond Act of 1990 funds to the structural retrofit of seismic deficiencies only. This language is unnecessarily restrictive and is not consistent with the State's plan to retrofit, reconstruct, repair or relocate State buildings depending on which is the most economical option. This language would also preclude making certain types of repairs authorized by the Act and would prohibit the use of funds for building replacement in cases where building replacement is found to be more cost-effective than seismic retrofit.

Item 1880-001-001—For support of State Personnel Board. I revise this item by reducing:

(a) 10-Merit System Administration from \$11,565,000 to \$11,550,000, and

(e) Reimbursements from —\$8,666,000 to —\$8,651,000,

and by deleting Provision 2.

I am deleting the \$15,000 legislative augmentation to the State Personnel Board's (SPB) reimbursement authority for the production of an Affirmative Action and Annual Census Report. The Legislature authorized SPB to charge departments for the cost of producing the report. However, Chapter 710, Statutes of 1992 (AB 2824), was enacted to reduce the costs to the State of producing reports by deferring various report requirements until 1995. Chapter 710 resulted in deferring the requirement for preparation of the Affirmative Action and Annual Census Report until the 1995-96 fiscal year. Therefore, my veto of this augmentation is consistent with existing law and with the intent and actions of the Legislature in enacting Chapter 710.

I am deleting Provision 2 to conform to this action.

Item 2180-001-067—For support of Department of Corporations. I revise this item by deleting Provision 1.

This language would require the Department of Corporations to submit a plan, by December 1, 1994, to consolidate the Office of Savings and Loan, State Banking Department, and Department of Corporations into a single financial regulatory agency during the 1995–96 fiscal year.

This is a policy decision that should precede any requirement to submit or implement a plan of action. Several legislative proposals to consolidate state financial services have been considered in recent years but not enacted.

Item 2290-401—For support of the administrative costs for operating the Conservation and Liquidation Division of the Department of Insurance. I am revising this item by deleting Provision 2.

I am deleting Provision 2, which would require that beginning with the 1995–96 fiscal year, the Governor's Budget shall include specific information regarding all costs for each conserved estate, including both the administrative and direct costs, attributable to the operation of companies under conservation by the Division. This language hinders the Administration's ability to reflect a level of detail in the budget that is informative, but not overly burdensome. In addition, it is not necessary to include such detailed information in the budget because interested parties can obtain this information on an as-needed basis through the normal information request process. I recognize, however, that some information of this type may be useful and, therefore, I have requested the Director of Finance to include an appropriate level and amount of information on conserved insurance companies in the 1995–96 Governor's Budget.

Item 2640-101-046—For local assistance, Special Transportation Programs. I reduce this item from \$68,396,000 to \$61,650,000.

I am deleting the \$6,746,000 legislative augmentation for the State Transportation Assistance program. This augmentation was made in anticipation of savings in the 1993–94 fiscal year due to postponement of the construction phase of a maintenance station in San Jose and delays in the delivery schedule of the new California rail cars. The Legislature also adopted a reduction I proposed in May to this item which was made necessary by a significant reduction in projected revenues to the Transportation Planning and Development Account. In adopting my recommended reduction, the same savings was applied equally to mitigate the reductions to this program and the Transit Capital Improvement Program funded in Item 2660-101-046. It is, therefore, prudent to eliminate this augmentation to avoid over appropriating the Transportation Planning and Development Account.

Item 2660-001-042—For support of Department of Transportation. I am revising this item by deleting Provisions 5 and 6 of this item.

I am deleting Provision 5, which would restrict the average daily number of vehicles authorized to be taken home by Caltrans employees to 1,939 vehicles because the department is already in the process of auditing and justifying the use of each vehicle and because this Provision may interfere with the department's ability to respond to emergencies and perform essential field work.

I am deleting Provision 6, which would require the department to fund a study, conducted by the Bureau of State Audits, of the department's fleet management practices. The department is already conducting such a review; therefore, this study is unnecessary.

Item 2660-011-042—For transfer by the Controller from the State Highway Account, State Transportation Fund, to the Seismic Safety Retrofit Account, State Transportation Fund. I reduce this item from (\$41,500,000) to (\$15,500,000).

I am reducing the transfer made by this item for the purposes of funding capital outlay related to seismic retrofit by \$26,000,000. The source of funding for this transfer is the result of legislative reductions to the department's support budget. These reductions and other reductions made by the Legislature to the support operations of the department have the cumulative effect of jeopardizing the department's ability to keep funded projects on schedule and adequately maintain the State's existing transportation investment. Furthermore, the reductions in the Department's support budget could result in a shortage of funds to do the preliminary planning and design of phase II of the seismic retrofit projects. Through my veto action, I am setting aside the \$26.0 million for future appropriation to provide the department with the appropriate resources in fiscal year 1994-95 to perform the seismic retrofit design and engineering work and other high-priority work necessary to ensure that transportation project delivery schedules can be met. I am taking conforming action in Item 2660-325-056.

Item 2660-126-042—For local assistance, Department of Transportation. I delete this item and Provision 1.

I am deleting this item and Provision 1, which appropriates \$500,000 of State Highway Account funds to finance the preliminary engineering and environmental work for the transportation system necessary to support the conversion of the Mare Island Naval Shipyard to civilian use. I am vetoing this item because it would constitute project-specific budgeting of State Highway Account funds and it is not an appropriate use of State Highway Account funds, since the project is not on the State Highway system. Additionally, the Trade and Commerce Agency's Economic Development Grant and Loan Program has already provided the City of Vallejo with an \$80,000 Military Base Reuse Planning Grant, which will be used to match federal dollars to prepare a Mare Island general reuse plan.

Item 2660-325-042—For capital outlay, Department of Transportation. I am revising this item by deleting Provision 6.

I am deleting Provision 6, which would prohibit the use of toll bridge revenues to finance the seismic retrofit of toll bridges until all projects authorized by Regional Measure 1 are completed. I am however committed to ensuring that the Measure 1 projects are completed without delay. Furthermore, I have directed the Department of Transportation in keeping with the intent of the language to not use toll bridge funds for seismic retrofit purposes during fiscal year 1994-95.

Item 2660-325-056—For capital outlay, Department of Transportation. I reduce this item from \$41,500,000 to \$15,500,000, and delete Provision 1.

I am reducing this item by \$26,000,000 to conform to my action on Item 2660-011-042. Additionally, I am deleting Provision 1, which specifies that the funds appropriated in this item shall be allocated by the California Transportation Commission to accelerate the repair, replacement, and retrofitting of the I-280 Freeway because this language would constitute project-specific budgeting for State Highway Account funds. I have been advised by the department that no additional state funds are needed in order to complete the I-280 projects. The inclusion of this provision would prevent the \$15.5 million remaining in this item after my veto from being expended on other high-priority seismic retrofit projects.

Item 2740-001-044—For support of Department of Motor Vehicles. I am revising this item by deleting Provision 3.

This language would restrict the use of any of the funds appropriated to the department on any database redevelopment expenditures. I have requested the Director of the Department of Motor Vehicles to contract for a study of all of the department's data processing needs, including any need to redevelop the core database systems. This language unnecessarily restricts the options of both the Legislative and Executive Branch once the evaluation I am proposing has been completed.

Item 2740-005-044—For support of Department of Motor Vehicles. I reduce this item from \$3,044,000 to \$2,701,000 by reducing:

- (a) 11-Vehicle/Vessel Identification and Compliance from \$2,148,000 to \$1,906,000,
- (b) 22-Driver Licensing and Personal Identification from \$1,515,000 to \$1,345,000,
- (c) 25-Driver Safety from \$559,000 to \$496,000,
- (d) 32-Occupational Licensing and Investigative Services from \$221,000 to \$196,000,
- (e) 41.01-Administration from \$507,000 to \$450,000,
- (f) 41.02-Distributed Administration from —\$507,000 to —\$450,000, and
- (g) Amount payable from the Motor Vehicle License Fee Account, Transportation Tax Fund (Item 2740-005-064) from —\$1,399,000 to —\$1,242,000,

and by deleting Provisions 1, 2, 3, 4 and 5.

I am deleting \$343,000 in this item and \$157,000 in Item 2740-005-064 and the associated budget control language added by the Legislature for the purpose of contracting for a legislative study of the Department of Motor Vehicle's Database Redevelopment Project and overall data processing needs. This language includes provisions that place the decisions for the design and implementation of a new database system for the department in the hands of an outside contractor with the review and consent only of the Legislature. As such, the language would effectively eliminate Executive Branch participation in the decisions regarding the system design, its costs, and its appropriateness to the department's business plan.

I am deleting this language because it improperly limits and interferes with the authority of the Executive Branch to manage the department and constitutes an infringement on the separation of powers.

An evaluation of the Department of Motor Vehicle's total data processing needs, including an evaluation of the Database Redevelopment Project, should be performed before the state proceeds any further with this project. For that reason, I have requested the Director of the Department of Motor Vehicles to immediately contract with an outside consultant, through the competitive bid process, to perform this evaluation.

Item 2740-005-064—For support of Department of Motor Vehicles. I reduce this item from \$1,399,000 to \$1,242,000.

I reduce this item by \$157,000 to conform to the action I have taken in Item 2740-005-042.

Item 2780-001-683—For support of Stephen P. Teale Data Center. I revise this item by deleting Provision 4.

I am deleting Provision 4, which authorizes the Department of Finance to augment this item by up to \$13,300,000 if the Teale Data Center renegotiates its contract with the Department of Motor Vehicles for network services. This action is being taken as a technical adjustment to reflect intended legislative action and the fact this amount was restored to the Teale Data Center budget.

Item 2920-011-001—For support of Trade and Commerce Agency. I revise this item by deleting Provision 1.

I am deleting Provision 1, which would specify that \$76,000 transferred to the Small Business Expansion Fund be used to continue funding the San Bernardino Regional Development Corporation, which was established and provided with \$76,000 from the General Fund to fund support costs pursuant to Chapter 1273, Statutes of 1993 (AB 579).

This language would provide support funding for a Regional Development Corporation in San Bernardino. Support costs for the Small Business Development Corporations are normally funded from interest that accrues on the individual trust funds used to guarantee loans to businesses. There are insufficient funds available from this source to sustain another office on an ongoing basis, and any redirection of these funds would have the effect of reducing the number of loans that could be guaranteed in the future.

Item 2920-101-001—For local assistance, Trade and Commerce Agency. I reduce this item from \$9,947,000 to \$7,947,000 by deleting:

(e) For the Northern California Supercomputer Center (\$2,000,000), and by deleting Provision 7.

I am reducing this item by \$2,000,000 to delete the augmentation to provide funding for a Northern California Supercomputer Center. This redirection of Strategic Technology Program funds prevents their use as a match for federal funds allocated to the state for defense conversion projects, potentially resulting in a loss of federal funds. The need for a second Supercomputer center has not been demonstrated.

I am deleting Provision 7, which would specify that \$100,000 of Strategic Technology Program funds be used for a planning grant for a Bay Area Regional Technology Conversion Coordinating Center. This action is premature. The Bay Area Regional Technology Conversion Coordinating Center has not yet been established. Once established, this center could compete for available funds through the normal application process. Additionally, this would reduce the Administration's flexibility to administer the Strategic Technology Program and would reduce funding available for other high-priority projects.

Item 3540-001-001—For support of Department of Forestry and Fire Protection (CDF). I revise this item by reducing:

(a) 100000-Personal services from \$268,944,833 to \$268,844,833, and

(e) Amount payable from the California Environmental License Plate Fund (Item 3540-001-140) from -\$4,296,000 to -\$4,196,000,

and by deleting Provision 5.

This language redirects \$1,283,000 saved by a CDF reorganization and intended to be used for critical seasonal fire fighter training, helitask staffing and fire prevention, in order to permanently hire additional seasonal fire fighters. Each year, CDF analyzes conditions regarding the severity of the upcoming fire season. If conditions warrant, one-time-only augmentations of varying amounts are made to CDF's budget. For 1994-95, as in seven of the last eight years, CDF's budget is augmented. The 1994-95 augmentation of \$5,008,000 is being made in anticipation of a severe fire season. This will provide approximately 500 additional seasonal fire fighters during the peak 1994 Fire Season.

Consequently, the legislative language provides for duplicate funding, permanently adds additional seasonal fire fighters instead of those staff deemed more critical to fire protection by CDF management, and prevents CDF from implementing its reorganization and most effectively managing its resources. Therefore, I am vetoing this language which infringes upon the Administration's ability to manage fire protection programs in a manner which is in the best interest of the public's safety.

I am revising this item to conform to the actions taken in Item 3540-001-140.

Item 3540-001-140—For support of California Department of Forestry and Fire Protection. I reduce this item from \$4,296,000 to \$4,196,000.

I am deleting the \$100,000 legislative augmentation and one position from the California Environmental License Plate Fund for the Ben Lomond Nursery. The department is preparing to close this state nursery because it is neither cost effective, nor self-supporting, as required by law. Further, other state nurseries have the ability to produce the same coastal forest species as the Ben Lomond Nursery would have produced.

Item 3600-001-200—For support of Department of Fish and Game. I revise this item by deleting Provisions 4, 5, 7 and 8.

I am deleting Provision 4, which requires that funds appropriated in this item be redirected if necessary to operate the Mad River Hatchery at full capacity. The Department of Fish and Game intends to continue to operate the hatchery but at a level which is lower than full capacity. This will provide sufficient returning steelhead to continue an acceptable quality fishery in the Mad River. This provision interferes with the Administration's ability to manage its programs, and restricts my authority to administer a budget which reflects my spending priorities within available resources.

I am deleting Provision 5, which requires that of the funds appropriated by this item, \$240,000 for the operation of the "Broadbill" Patrol Boat, should be redirected to other marine enforcement activities on the North Coast. This provision interferes with the ability of the department to manage its programs.

I am deleting Provision 7, which restricts expenditures for legal services to the amount scheduled in the Legal Services Program. This provision constitutes an infringement on the separation of powers provision concerning Executive Branch authority and interferes with the ability of the department to manage its programs.

I am deleting Provision 8, which requires that of the appropriation to the Department of Fish and Game for external consultant and professional services, \$45,000 shall be for the development of a strategic plan. This provision interferes with the ability of the department to manage its programs.

Item 3640-301-262—For capital outlay, Wildlife Conservation Board. I revise this item by deleting Provisions 14 and 15.

I am deleting Provision 14, which requires that \$1,600,000 of the funds appropriated in this item be used for the acquisition of wetlands and adjacent uplands in the Grasslands area of Merced County, and Provision 15, which requires that \$800,000 of the funds appropriated in this item be used for acquisition of the Tonner and Sandstone Canyons, riparian and wetlands habitat in Napa and Sonoma Counties, and for marsh restoration in Lomita Park. These projects have not been reviewed or evaluated in the context of competing demands for these funds.

Item 3680-301-516—For capital outlay, Department of Boating and Waterways. I reduce this item from \$5,087,000 to \$2,828,000.

I am reducing this item by \$2,259,000, to conform with Legislative intent to provide an overall local assistance and capital outlay program of \$22,459,000 and a transfer of \$18,260,000 from the Harbors and Watercraft Revolving Fund to the General Fund at the end of the 1994-95 fiscal year.

Item 3680-401—For local assistance, Department of Boating and Waterways. I delete this item.

I am deleting this item, which would waive the existing requirements of the loan agreements between the Department of Boating & Waterways and Sonoma County relating to loans totaling \$6,000,000 from the Harbors and Watercraft Revolving Fund for the development of Spud Point Marina. These agreements have been the subject of ongoing, good-faith negotiations between the County and the Department. This legislative proposal would abandon this process and dictate the terms of the agreement, potentially costing the State an estimated \$440,000 per year in foregone loan repayments. Approving this item would not only be fiscally irresponsible, but more importantly would establish bad precedent regarding other public marina loans.

Item 3760-001-140—For support of the State Coastal Conservancy. I delete this item.

I am deleting the \$65,000 legislative augmentation for a public health study of Lake Earl in Del Norte County. This project has not been reviewed or evaluated in the context of competing needs for Environmental License Plate Funds. In addition, the fund has only a small reserve, and further appropriations would reduce the balance below the level which is prudent.

Item 3760-001-235—For support of the State Coastal Conservancy. I delete this item.

I am deleting the \$50,000 legislative augmentation for a study for the restoration, environmental enhancement, and public access alternatives along the Napa River. This project has not been reviewed or evaluated in the context of competing needs for Public Resources Account funds.

Item 3790-101-140—For Local Assistance, Department of Parks and Recreation. I delete this item.

I am deleting the \$35,000 legislative augmentation for a local assistance grant to the City of Riverbank. It is necessary to delete this item to ensure the financing of other high-priority appropriations from the Environmental License Plate Fund, while still maintaining a prudent reserve in the fund. In addition, projects should be submitted for consideration during the normal budget development process, so they may be reviewed and evaluated in the context of competing needs for available fund sources.

Item 3790-101-235—For local assistance, Department of Parks and Recreation. I delete this item.

I am deleting the \$603,000 legislative augmentation for several local assistance grants. It is necessary to delete this item to ensure the financing of other high-priority appropriations from the Public Resources Account, Cigarette and Tobacco Products Surtax Fund while still maintaining a prudent reserve in the fund. In addition, these projects should be submitted for consideration during the normal budget development process, so they may be reviewed and evaluated in the context of competing needs for available fund sources.

Item 3790-101-262—For local assistance, Department of Parks and Recreation. I revise this item by deleting Provisions 3 and 4.

Schedule (1) provides \$2,000,000 for local grants payable from the Habitat Conservation Fund. Provision 3 specifies that \$286,000 shall be granted to the County of Monterey to acquire property adjacent to Pfeiffer-Big Sur State Historic Park. This acquisition would be the sole property of Monterey County. Provision 4 specifies that \$150,000 shall be spent for the acquisition of properties at Mt. Baldy, adjacent to the County of Marin, Municipal Water District. I am deleting both provisions, as these projects should be submitted for consideration during the normal budget development process so they may be reviewed and evaluated in the context of competing needs for available fund sources.

Item 3790-101-721—For local assistance, Department of Parks and Recreation. I delete this item.

I am deleting the \$422,000 legislative augmentation for several local assistance grants. These projects should be submitted for consideration during the normal budget development process, so they may be reviewed and evaluated in the context of competing needs for available fund sources.

Item 3790-101-722—For local assistance, Department of Parks and Recreation. I delete this item.

I am deleting the \$21,000 legislative augmentation for a local assistance grant to the City of Riverbank. This project should be submitted for consideration during the normal budget development process, so it may be reviewed and evaluated in the context of competing needs for available fund sources.

Item 3790-101-733—For local assistance, Department of Parks and Recreation. I reduce this item from \$986,000 to \$985,000.

I am deleting the \$1,000 legislative augmentation for a local assistance grant to the City of Riverbank. This project should be submitted for consideration during the normal budget development process, so it may be reviewed and evaluated in the context of competing needs for available fund sources.

Item 3790-301-140—For Capital Outlay, Department of Parks and Recreation. I reduce this item from \$346,000 to \$246,000 by deleting:

(3) 90.JH.400-Anderson Marsh SHP: Acquisition (\$100,000).

I am deleting the \$100,000 legislative augmentation for the acquisition of additional property for Anderson Marsh State Historic Park. This deletion is necessary to ensure the financing of other high-priority appropriations from the Environmental License Plate Fund, while still maintaining a prudent reserve in the fund. In addition, projects should be submitted for consideration during the normal budget development process, so they may be reviewed and evaluated in the context of competing needs for available fund sources.

Item 3790-301-235—For capital outlay, Department of Parks and Recreation. I delete this item.

I am deleting the \$295,000 legislative augmentation for this project. This deletion is necessary to ensure the financing of other high-priority appropriations from the Public Resources Account, Cigarette and Tobacco Products Surtax Fund, while still maintaining a prudent reserve in the fund. In addition, this project should be submitted for consideration during the normal budget development process, so it may be reviewed and evaluated in the context of competing needs for available fund sources.

Item 3790-301-262—For capital outlay, Department of Parks and Recreation. I delete Provision 4.

Schedule (a) provides \$1,000,000 from the Habitat Conservation Fund. Provision 4 specifies that \$100,000 shall spent for acquisition of properties adjacent to and to be added to Anderson Marsh State Historic Park. I am deleting Provision 4. This project should be submitted for consideration during the normal budget development process, so it may be reviewed and evaluated in the context of competing needs for available fund sources.

Item 3790-301-786—For capital outlay, Department of Parks and Recreation. I reduce this item from \$6,402,000 to \$6,354,000 by deleting:

(15) 90.AN.610-Empire Mine SHP: Mine Shaft Adit—Working Drawings (\$96,000), and

(16) Reimbursements (—\$48,000).

This project should be submitted for consideration during the normal budget development process, so it may be reviewed and evaluated in the context of competing needs for available fund sources.

Item 3790-492—For reappropriation, Department of Parks and Recreation. I delete this item.

I am deleting this legislative augmentation, which reappropriates \$10,000 from Item 3790-101-722(a) (42), Budget Act of 1986, County of Sierra, RV Disposal Station, to be used for the development of a community park in Downieville. This project should be submitted for consideration during the normal budget development process, so it may be reviewed and evaluated in the context of competing needs for available fund sources.

Item 3810-301-262—For capital outlay and grants, Santa Monica Mountains Conservancy. I am revising this item by deleting Provisions 1, 2, 3 and 4.

I am deleting Provision 1, which dedicates \$3,700,000 in grants for two projects: \$1,700,000 for a University of California Natural Reserve System project and \$2,000,000 for a Whittier/Puente Hills Conservation Authority project, and specifies that if any reduction is made to the former project, an identical reduction must be made to the latter project.

I am deleting Provision 3, which specifies that \$1,700,000 be used by the Conservancy for the acquisition and minor improvements of a site suitable for conservation and research on valley-blue oak savanna and coastal sage habitat by the University of California Natural Reserve System.

I am deleting Provision 4, which specifies that \$2,000,000 be granted by the conservancy to the Whittier/Puente Hills Conservation Authority for acquisition of oak savanna and riparian habitat near the Chino Hills State Park.

The Conservancy was established to acquire open space in the Santa Monica Mountains for conservation and public access purposes. The limitation in Provision 1 is an infringement upon my constitutional authority as a violation of the separation of powers. Provisions 1, 3, and 4 collectively constitute a change in existing law by requiring purchases of land outside of the Santa Monica Mountains Zone as defined by Public Resources Code Section 33105. Furthermore, these provisions would unduly restrict the Conservancy's ability to administer its land acquisition program in a manner which reflects its spending priorities within available resources, and its ability to manage those resources effectively because these provisions would require the purchase of specifically identified properties.

I am deleting Provision 2, which requires the Director of the Conservancy to transfer the Stunt Ranch property to the Regents of the University of California. In addition, this provision requires the Executive Director to offer the Red Rock Canyon property to the Regents for use by the University of California Natural Reserve System for conservation, scientific, and educational purposes in exchange for a mutually agreed upon portion of the Stunt Ranch to include the Kay Spensely Nature Center.

This provision constitutes a change in existing law through the Budget Bill. Public Resources Code Section 33205.5 gives specific direction for the Conservancy's acquisition and disposition of the Stunt Ranch property. This provision would constitute a substantive change to this statute by revising its specific intent and direction. Any changes to this statute should be pursued through the normal legislative process.

Item 3930-001-001—For support of Department of Pesticide Regulation. I revise this item by reducing:

- (b) 17-Enforcement, Environmental Monitoring and Data Management from \$23,549,000 to \$23,249,000, and
- (g) Amount payable from the Environmental License Plate Fund (Item 3930-001-140) from —\$839,000 to —\$539,000.

I am revising this item to conform to the action taken on Item 3930-001-140.

Item 3930-001-140—For support of Department of Pesticide Regulation. I reduce this item from \$839,000 to \$539,000.

I am deleting the \$300,000 legislative augmentation for a sustainable agricultural research contract with the University of California. I question the appropriateness of using the Environmental License Plate Fund for the contract, as this augmentation would reduce the Fund's small reserve to less than a prudent level.

Item 3960-001-014—For support of Department of Toxic Substances Control. I delete Provisions 4, 5, 6, 7, and 8.

Provisions 4, 5, 6, and 7 earmark funds for the conversion of interim status hazardous waste treatment or disposal facilities to permitted facilities, and specify completion and reporting dates for permit determinations. These provisions would put the department in a position of having to redirect funds from other high-priority workload to interim status workload, which would reduce the department's ability to manage resources effectively.

I am also deleting Provision 8, which restricts the use of State funds appropriated to the Hazardous Waste Management Program unless the department establishes a CEQA function. The department has established a CEQA unit in the legal office; therefore, the purpose of the CEQA language has already been accomplished.

Item 4260-001-001—For support of the Department of Health Services. I reduce this item from \$155,545,000 to \$155,393,000 by reducing:

- (1) 10-Public and Environmental Health from \$169,107,000 to \$168,955,000.

I am deleting the \$152,000 legislative augmentation intended to reinstate a dental consultant position. This position was reduced under the Department of Health Services' 1993-94 General Fund reduction plan, and the services provided by the consultant have been absorbed within remaining resources. Therefore, additional General Fund resources are not necessary.

Item 4260-101-001—For local assistance, Department of Health Services. I reduce this item from \$5,959,747,000 to \$5,959,201,000 by reducing:

- (a) 20.10.030-Benefits (Medical Care and Services) from \$14,155,521,000 to \$14,153,589,000, and
- (f) Amount payable from the Federal Trust Fund (Item 4260-101-890) —\$9,390,896,000 to —\$9,389,510,000,

and by deleting Provision 16.

I am deleting the \$105,000 legislative augmentation to increase the Medi-Cal reimbursement rate for Norplant insertions and taking a corresponding action in Item 4260-101-890. I believe that this augmentation is unnecessary. Use of Norplant by Medi-Cal beneficiaries is a matter of choice, and there is no evidence that the current reimbursement rate is a barrier to its use.

I am deleting the \$441,000 legislative augmentation for health benefits for Department of Developmental Services contracted janitorial employees. This action conforms to my actions in Item 4260-101-890 and Item 4300-003-001.

I am deleting Provision 16, which would require the California Medical Assistance Commission (CMAC) to monitor the Geographic Managed Care (GMC) program for adequacy of quality of care and access to providers, and to report its conclusions. It further would require the Department of Health Services to permit "free choice of provider" to beneficiaries enrolled in the GMC program if CMAC found quality and access were not adequate.

I am taking this action because this language is unnecessary. The California Medical Assistance Commission and the Department of Health Services have been and will continue to be collaborators and partners in the implementation of the Geographic Managed Care Project in Sacramento County.

DHS and CMAC share GMC's goal of improved quality of care and access. Assessment of quality of care and access are two of the most important aspects of DHS's oversight responsibilities. DHS will continue to have full authority to take action to resolve any contractor deficiencies in these and other areas, including contract cancellation if warranted. It is also important to note that Medi-Cal enrollees are not prohibited from changing health plans if they so desire.

Item 4260-101-890—For local assistance, Department of Health Services. I reduce this item from \$9,390,896,000 to \$9,389,510,000.

I am reducing this item by \$1,386,000 to conform to the action I have taken in Item 4260-101-001.

Item 4260-111-001—For local assistance, Department of Health Services. I revise this item by reducing:

- (g) 20.40-Primary Care and Family Health from \$789,841,000 to \$789,791,000, and
- (m) Amount payable from the Federal Trust Fund (Item 426-111-890) from —\$526,988,000 to —\$526,938,000.

I am deleting the \$50,000 legislative augmentation of federal Maternal and Child Health (MCH) funds to establish a new Pediatric Resident Training Project in Mendocino County. While there is a need for more primary care providers, the University of California has primary responsibility for physician training and residency programs and funding for this purpose should be considered through the University. Also, the accompanying language is for a specific county and it is inappropriate to set aside funds for this purpose without assessing the pediatric residency needs of other rural communities.

I am deleting Provision 2 in Item 4260-111-890 to conform to this action.

Item 4260-111-890—For local assistance, Department of Health Services. I reduce this item from \$526,988,000 to \$526,938,000 and delete Provision 2.

I am reducing this item by \$50,000 and deleting Provision 2 to conform to action taken in Item 4260-111-001.

Item 4300-003-001—For support of Department of Developmental Services, for Developmental Centers. I reduce this item from \$17,245,000 to \$17,177,000 by reducing:

- (a) 20-Developmental Centers Program from \$563,162,000 to \$562,212,000, and
- (b) Reimbursements from -\$544,349,000 to -\$543,467,000.

I am deleting the \$950,000 legislative augmentation (\$68,000 General Fund and \$882,000 reimbursements) which was intended to fund health benefits for janitorial staff at the Developmental Centers. The Developmental Centers have contracted for janitorial staff since January 1987. The contracts for these services have been awarded in accordance with existing State contract guidelines and policies which place responsibility for the provision of health benefits with the contractor. In view of these facts, and the ongoing fiscal crisis facing the State, I cannot approve this augmentation.

I also have taken conforming action in Items 4260-101-001 and 4260-101-890.

Item 5160-101-001—For local assistance, Department of Rehabilitation. I delete Provision 4.

I am deleting Provision 4, which would require the Department to use funds appropriated in this item to explore options to provide relief to work activity program providers from the rate reductions imposed by the Budget Act of 1992. I am aware of the financial pressures which providers in many programs are facing. Under such circumstances, I expect both state departments and the providers to investigate all possible options for achieving program efficiencies. In light of this, specific language requiring the Department of Rehabilitation to spend local assistance funds for this purpose is unnecessary.

Item 5180-001-001—For support of the Department of Social Services (DSS). I delete Provision 6.

I am deleting Provision 6 because it requires the department to obtain legislative approval to implement the Greater Avenues for Independence (GAIN) performance demonstration project.

This provision conflicts with existing law, which authorizes the department to conduct and administer experimental projects and to waive the enforcement of specific statutory requirements, regulations, and standards in one or more counties, or statewide in order to test methods and procedures of administering assistance and services to recipients and applicants for public social services.

Adding this provision represents an infringement of the department's existing statutory authority, and would limit the authority necessary to test a more efficient program model.

I am deleting Provision 10 of Item 5180-151-001 to conform to this action.

Item 5180-002-001—For support of the Department of Social Services (DSS). I delete Provision 3.

I am deleting Provision 3, which would prohibit the Department of Social Services from creating a specialized unit within the Administrative Adjudications Division to conduct hearings on intentional program violations. This prohibition interferes with the Administration's ability to manage its programs, and would delay implementation of this program resulting in lost savings to the General Fund.

A specialized unit would have the expertise to conduct hearings on intentional program violations expeditiously and with the expertise that will assure fairness to both taxpayers and recipients, thereby minimizing the cost of unnecessary appeals. Precluding an organization based on specialization would require all personnel in the Administrative Adjudications Division to be trained at additional cost, as well as requiring more time to complete the training. This would delay the implementation of sanctions for intentional program violations, thereby reducing the savings to the General Fund.

Item 5180-151-001—For local assistance, Department of Social Services. I delete Provision 10.

I am deleting Provision 10 to conform to my action in Item 5180-001-001.

Item 5430-001-001—For support of Board of Corrections. I reduce this item from \$784,000 to \$409,000 by reducing:

(a) 11-Corrections Standards and Services from \$2,416,000 to \$2,041,000.

The Legislature augmented this item to provide funding for the Board of Corrections to (1) develop a system for data collection and information exchange and for the dissemination of statewide data on probation workloads, programs, and outcomes, and (2) inspect local juvenile detention facilities and review, assess, and adopt standards for local juvenile detention facilities.

While the proposed probation data system may have merit, the system's success and effectiveness would be dependent upon the level of county participation and resources available for the development of innovative programs identified by the system. With respect to the inspections of the local juvenile detention facilities, we have not received any information which indicates that the existing self-certification is not working or causing the counties to lose any federal funds.

I am reducing this item by \$375,000 due to limited State resources in the General Fund.

Item 5460-001-001—For support of the Department of Youth Authority. I am revising this item by deleting Provisions 2 and 3.

In order to correct a technical error in the Budget Bill, I am deleting Provisions 2 and 3, which would specify how savings attributable to the transfer of "M" cases to the Department of Corrections are to be expended, and specify that funding appropriated to any department for delinquency prevention and intervention programs shall be expended through a memorandum of understanding with the Department of Youth Authority, respectively. These provisions were inadvertently left in the final version of the Budget Bill. A transfer of "M" cases from the Youth Authority was considered by the Legislature and rejected. Therefore, Provision 2 is not needed. Provision 3 was also considered by the Legislature and rejected. This technical veto will conform the Budget Act to the action taken by the Legislature.

Item 5460-101-890—For local assistance, Department of the Youth Authority. I am deleting this item to make a technical correction to the Budget Bill. This technical veto will conform with the Legislature's intent, and is consistent with the legislative action taken in Item 5460-101-001, which removed federal funds payable to that item as part of the restoration of the funding for the Office of Criminal Justice Planning.

Item 6110-001-001—For support of Department of Education. I reduce this item from \$28,895,000 to \$26,695,000 by reducing:

(b) 20-Instructional Support from \$34,466,366 to \$32,266,366, and by revising Provisions 1 and 13.

I am revising Provision 1 to delete the specification that no funds shall be made available to the State Board of Education if any Department of Education positions are transferred to the Board, other than those positions that were assigned to the Board in 1992-93. This language could prevent such position transfers which may be mutually desired by the Board and the Department and, in addition, could inappropriately prevent the Board from performing its constitutionally mandated activities.

"1. Of the funds appropriated in this item, an amount of not less than \$94,000 shall be available only for reimbursement of in-state travel expenses of the State Board of Education. ~~No positions assigned to the State Department of Education; other than those positions that were assigned to the State Board of Education for the 1992-93 fiscal year, shall be administratively transferred, redirected, or otherwise assigned to the State Board of Education.~~"

In addition, I am reducing support for the pupil testing program by \$2,200,000 and 14.5 personnel years with the intention that these funds be set aside for legislation. While I am supportive of a statewide testing program, it is imperative that the current program be reformed through legislation before any further commitment of the State's limited resources.

I am revising Provision 13 to conform to this action:

"13. Of the funds appropriated in this item ~~\$2,193,000~~ \$993,000 is for the purposes of a pupil testing program."

Item 6110-113-001—For local assistance, Department of Education (Proposition 98), Program 20.70—for purposes of a pupil testing program. I reduce this item from \$30,504,000 to \$6,304,000.

I am reducing this item by \$24,200,000 with the intention that these funds be set aside for legislation. The funds remaining in the item are for testing programs other than the California Learning Assessments System (CLAS), renamed in the Budget Bill to California Comprehensive Testing Program (CCTP). While I am supportive of a statewide testing program, I intend to work with the Legislature during the balance of the legislative session to develop the appropriate reforms. It is imperative that the current program be reformed.

I am revising Provision 2 to conform to this reduction.

"2. The superintendent of Public Instruction shall allocate the 1994-95 budget increase of ~~\$8,000,000~~ \$2,142,000 to augment pupil testing programs in accordance with the allocation plan shown below. To revise any allocations, the Superintendent of Public Instruction shall first receive the approval of the Department of Finance. Approval of the Department of Finance may not be effective sooner than 30 days after notification to the Chair of the Joint Legislative Budget Committee.

- a. \$1,142,000 for the Golden State Examination Program pursuant to Section 60701.
- b. \$500,000 for development of end-of-course examinations in vocational education pursuant to Sections 60602.5 (a) (4) and 60604.8.
- c. \$500,000 for review and approval of other pupil tests pursuant to Section 60602.5 (d).
- d. ~~\$5,458,000 for expansion in the 1994-95 fiscal year of the statewide California Comprehensive Testing Program (CCTP); pursuant to the 1994-95 expenditure plan in the document "CCTP—Long-term Implementation," to include valid, reliable individual pupil scores in reading, writing, and mathematics in grades 4 and 8; valid reliable school-level scores in history/social sciences and science in grade 5; and in reading, writing, and mathematics in grade 10; and field testing in history/social sciences and science in grades 8 and 10.~~
- e. ~~\$400,000 for continued development of CCTP Spanish language exams.~~

Item 6110-123-001—For local assistance, Department of Education (Proposition 98). I delete this item and Provision 1.

I am deleting the legislative augmentation for the Focus Schools Program of \$500,000, which would have provided local assistance grants to schools having been identified as "low performing". While I am supportive of this program, it is my understanding that the criteria for identifying low-performing schools has not yet been perfected. This augmentation, therefore, is premature.

It is my understanding that the Department of Education would still be able to continue piloting procedures through the federal Chapter I Program Improvement Initiative, which provides intensive coaching and support to over 40 low-performing Chapter 1 schools.

I am deleting Provision 1 to conform to this action.

Item 6110-196-890—For local assistance, Department of Education. I delete Provision 4.

Provision 4 of this item would require that a particular child care center be awarded a specified amount of funds by the Department of Education. This provision constitutes an item of appropriation which I cannot support. State law and regulations and the State Plan for Administration of the Federal Child Care and Development Block Grant create a process for child care agencies to apply for and receive contracts from the Department of Education to provide child care services to low-income families. Circumventing this process by appropriating funds for a specific child care provider is not consistent with current law.

Item 6110-230-001—For local assistance, Department of Education (Proposition 98). I delete Provision 17.

Provision 17 would require the Department of Education to renew the contract of a particular child care agency, the Foundation Center for Phenomenological Research, for the provision of child care services during the 1994-95 fiscal year.

Current state law authorizes the Department of Education to grant or renew contracts and Title V of the California Code of Regulations specifies procedures for the department to decline renewal of a contract. This provision would circumvent current law and regulations by requiring funding for a particular child care provider.

The circumstances surrounding the non-renewal of this contract are currently being disputed in court, which is the remedy provided in the Constitution for disagreements regarding the administration of laws. Therefore, the courts should decide this matter based on an objective analysis of the facts and the law.

Until such time as the court resolves this issue, the Department of Education has the authority and obligation to administer the Child Care and Development program in a manner which insures the fiscal integrity of that program. The language contained in Provision 17 could preclude the department from achieving this purpose, and may result in additional costs to the State.

For all the above reasons, I am deleting Provision 17.

Item 6110-490—Reappropriation, Department of Education. I delete Provision 2.

I am deleting this provision, which would reappropriate funds for the California Learning Assessments System (CLAS), renamed in the Budget Bill to California Comprehensive Testing Program (CTP), with the intention that these funds be set aside for legislation. While I am supportive of a statewide testing system, it is imperative that the current program be reformed. I intend to work with the Legislature during the remainder of the session to develop the appropriate reforms.

Item 6420-001-001—For support of the California Postsecondary Education Commission. I reduce this item from \$3,512,000 to \$2,412,000 by reducing:

(a) 100000-Personal Services from \$2,609,000 to \$2,362,000, and

(b) 300000-Operating Expenses and Equipment from \$1,648,000 to \$795,000, and by deleting Provision 1.

I am deleting the \$1,100,000 legislative augmentation and 4.6 personnel years for a Comprehensive Student Information System. The benefits of this system have not been demonstrated to justify its cost, and unresolved technical matters make its success problematic. This project is not of sufficiently high priority to justify the use of limited state resources.

I am deleting Provision 1, which would make this augmentation contingent upon enactment of Assembly Bill 3696, to conform to this action.

Item 6440-001-001—For support of the University of California. I delete Provision 9.

I am deleting Provision 9, which would allow the upward adjustment of budgeted amounts if actual enrollments exceed the targeted enrollment level by more than 2 percent, and would require the downward adjustment of budgeted amounts if actual enrollments fall short of the targeted enrollment level by more than 2 percent. Any adjustment to the funding level for the University of California should be addressed through additional legislative action when compared to other essential financial needs.

Item 6600-001-001—For support of Hastings College of the Law. I reduce this item from \$11,854,000 to \$11,804,000 and delete Provision 3.

I am deleting the \$50,000 legislative augmentation for the Public Interest Career Assistance Program. Given the current fiscal situation, I am unable to support this augmentation.

I am deleting Provision 3 to conform to this action.

Item 6610-001-001—For support of the California State University. I reduce this item from \$1,508,902,000 to \$1,508,652,000 by reducing:

(a) Support from \$2,139,222,000 to \$2,138,972,000, and by deleting Provision 10.

I am deleting the \$250,000 legislative augmentation and 3.0 personnel years for the Edward R. Roybal Institute for Applied Gerontology. This project is not of sufficiently high priority to justify the use of limited State resources.

I am deleting Provision 10, which would allow the upward adjustment of budgeted amounts if actual enrollments exceed the targeted enrollment level by more than 2 percent, and would require the downward adjustment of budgeted amounts if actual enrollments fall short of the targeted enrollment level by more than 2 percent. Any adjustment to the funding level for the California State University should be addressed through additional legislative action when compared to other essential financial needs.

Item 6870-001-001—For support of Board of Governors of the California Community Colleges. I reduce this item from \$8,252,000 to \$8,251,000 by reducing:

(b) 20-Special Services and Operations from \$11,289,000 to \$11,288,000, and by deleting Provision 2.

I am reducing this item by \$1,000 and deleting Provision 2, which authorizes the redirection of up to \$125,000 from the Board of Governors of California Community Colleges' support budget to fund planning for participation by the State under the Federal Reemployment Act, including planning for the development of one-stop career centers. While one-stop career centers may ultimately have merit in the context of the state's workforce training and employment service programs, it would be premature to budget funds for this new program because neither State nor Federal legislation has yet been enacted and, in its current form, the Federal legislation contains provisions detrimental to the State of California.

I am reducing \$1,000 from this item to reflect savings that will be achieved based on deletion of Provision 2.

Item 6870-002-001—For support of Board of Governors of the California Community Colleges. I delete Provision 1.

I am deleting this provision because it restricts the Executive Branch's ability to administer and oversee a multitude of programs within available resources, and potentially restricts expenditures toward those purposes on the basis of subjective determinations by a third party. While I am also concerned with adequate oversight of categorical program expenditures, I am concerned that the Chancellor should retain flexibility to determine how to best manage programs and conduct oversight activities in the most cost-effective manner.

Item 6870-101-001—For local assistance, Board of Governors of the California Community Colleges (Proposition 98). I am reducing this item from \$1,085,300,000 to \$1,085,299,000 by reducing:

(b) 10.10.020-Basic Skills, GAIN, Apprenticeship from \$33,999,000 to \$33,998,000, and by deleting Provision 18.

I am reducing this item by \$1,000 and deleting Provision 18, which authorizes the redirection of up to \$125,000 from the Board of Governors of California Community Colleges' local assistance budget to fund planning for participation by the State under the Federal Reemployment Act, including planning for the development of one-stop career centers. While one-stop career centers may ultimately have merit in context of the state's workforce training and employment service programs, it would be premature to budget funds for this new program because neither State nor Federal legislation has yet been enacted and, in its current form, the Federal legislation contains provisions detrimental to the State of California.

I am reducing \$1,000 from this item to reflect savings that will be achieved based on deletion of Provision 18.

I am revising Provision 2.5 to conform to this action.

"2.5 Notwithstanding any other provision of law, ~~\$22,000,000~~ \$21,999,000 of the funds appropriated in Schedule (b) shall be for allocation to community college districts in the 1994-95 fiscal year for the purposes of funding FTES in courses in basic skills, including English-as-a-second-language courses and workforce preparation courses for newly legalized immigrants, to the extent the total FTES claimed by a district for the 1994-95 fiscal year exceeds the level of total FTES funded for that district in the 1994-95 fiscal year. The Chancellor of the California Community Colleges shall develop criteria for allocating these funds."

Item 6870-301-660—For capital outlay, Board of Governors of the California Community Colleges. I reduce this item from \$14,921,000 to \$14,324,000 by reducing:
Los Angeles Community College District
East Los Angeles College

(3) 40.26.101-Vocational Building—Equipment from \$910,000 to \$313,000.

I am reducing this legislative augmentation of \$597,000 because it represents funding for equipment above established cost standards. The state policy is to fund equipment only up to the established standards.

Item 6870-301-842—For capital outlay, Board of Governors of the California Community Colleges. I reduce this item from \$186,878,000 to \$180,322,000 by reducing:

Chabot-Las Positas Community College District

Chabot College

(10) 40.62.104-Humanities Building Remodel—Equipment from \$2,351,000 to \$351,000,

(11) 40.62.107-Engineering Remodel/Addition—Equipment from \$1,904,000 to \$331,000,

(13) 40.62.110-Music Skills Center—Equipment from \$318,000 to \$163,000,

Las Positas College

(16) 40.62.205-Science Center, Phase I—Equipment from \$1,632,000 to \$938,000,

El Camino Community College District

El Camino College

(22) 40.14.106-Library Renovation, Phase II—Preliminary plans, working drawings, and construction from \$2,528,000 to \$1,978,000, and

Sierra Joint Community College District

Sierra College

(89) 40.58.103-Home Economics Remodel/Addition—Equipment from \$128,000 to \$50,000,

and by deleting:

Palomar Community College District

Palomar College

(57.1) 40.38.108-Communications Facility Remodel—Equipment (\$916,000), and
West Valley-Mission Community College District

Mission College

(102.1) 40.69.205-Learning Resource Center—Preliminary plans and working drawings (\$590,000).

I am deleting these nine legislative augmentations in the amount of \$6,556,000 because they circumvent the established procedures for prioritizing the California Community College's capital outlay projects and the standard level of funding for projects.

In order to develop and maintain a rational approach to a capital outlay program, all projects should be considered in relationship to competing needs for available resources. The circumvention of the established prioritization process undermines this approach. In addition, it is the state's policy to fund equipment only up to the established standards. It is also the state's policy, as stated in my message in the 1993 Budget Act, that costs for replacement equipment are a support cost rather than a capital outlay cost. Further, the state's policy continues to be that funding for replacement equipment for space remodeled for the same program should be provided by the support budgets of the institution, rather than through the capital outlay budget.

Item 7980-001-001—For support of the Student Aid Commission. I reduce this item from \$3,343,000 to \$3,218,000 by reducing:

(a) 15-Financial Aid Grants Program from \$3,404,000 to \$3,279,000.

I am deleting the \$125,000 legislative augmentation for the Student Expenses and Resources Survey. I believe that the higher education segments, which all benefit from this survey, should agree to contribute the necessary funding.

Item 8300-001-001—For support of Agricultural Labor Relations Board. I reduce this item from \$4,301,000 to \$4,300,000 by reducing:

(b) 20-General Counsel Administration from \$2,609,000 to \$2,608,000,

and by deleting Provisions 1, 2 and 3.

I am deleting Provision 1, which would have redirected \$879,000 appropriated in this item to address the existing and new workload anticipated in the General Counsel's Administration. This provision would restrict the flexibility of the Board to effectively and most efficiently administer the funding appropriated to the Agricultural Labor Relations Board. This proposal would require the redirection of two existing positions and \$179,000 from the Board Administration to the General Counsel Administration, as well as significant restructuring of the General Counsel's resources to establish additional new positions, including a new field office (location unspecified), and a new field office unit that is able to be deployed to existing and new workload on a priority basis. Information has not been provided to substantiate the anticipated workload increase.

With respect to this issue, however, it is my intention to propose pursuant to the provisions of Section 6.50 of the Budget Act of 1994, the reestablishment of the Board Administration's two positions and the \$179,000 which were redirected to the General Counsel's Administration.

I am also deleting Provisions 2 and 3 because the language is unnecessary. Provision 2 requires the Agricultural Labor Relations Board to advertise and conduct examinations to establish a qualified pool of candidates to fill its field examiner and field counsel positions, which the Board would do during the normal course of business. Provision 3 prohibits the Agricultural Labor Relations Board from approving regulations which are contrary to statutory policy, as set forth in Section 1140.2 of the Labor Code, with regard to agricultural workers and their rights. The Agricultural Labor Relations Board already complies with existing statutes to approve, amend and rescind rules and regulations in order to carry out the state's policy. Therefore, this language is unnecessary.

I am reducing this item by \$1,000 to reflect savings that will be achieved based on vetoing language contained in Provisions 1, 2 and 3 of this item.

Item 8940-001-001—For support of Military Department. I reduce this item from \$18,961,000 to \$18,609,000 by deleting:

(j) 71-California Innovative Military Projects and Career Training (\$352,000), and by deleting Provision 3.

I am deleting the \$352,000 General Fund and 2.7 personnel years which was redirected from existing funds by the Legislature to fund the existing Innovative Military Projects and Career Training (IMPACT) Program in Oakland. Federal funds have become available to the California National Guard to operate a number of youth-oriented programs, one of which will be conducted in the Oakland area.

I am deleting Provision 3 to conform to this action.

Item 9800-001-001—For Augmentation for Employee Compensation. I revise this item by making technical revisions to Provision 2.

I am revising Provision 2 to delete erroneous language references, and to clarify that this item provides funds for compensation increases for 14 specified public safety, twenty-four-hour care, and revenue-producing agencies only.

2. The funds appropriated in this item are for compensation increases and increases in benefits related thereto, to be allocated by executive order by the Department of Finance to specified public safety, twenty-four hour care and revenue producing agencies as determined by the Department of Finance, in augmentation of their respective appropriations or allocations for support or for other purposes, in such amounts as will make sufficient money available for each state officer or employee in the state service, whose compensation, or portion thereof, is chargeable to the General Fund, and each officer or employee of either house of the Legislature or joint committee thereof, to receive any such increases provided on or after July 1, 1994, by the Department of Personnel Administration; or any committee of the Legislature responsible for establishing salaries for officers and employees of the Legislature, as the case may be.

SEC. 8.50—Related to the reporting of reduction of federal funds. I delete provisions (b) and (c) of this Control Section.

I am deleting these provisions because it is unreasonable to expect State agencies to increase their reporting requirements when budget reductions severely impact their ability to meet their statutory requirements. Section 28.00 of the Budget Act already requires the reporting of federal fund shortfalls to the Legislature. Further, the Governor's Budget, May Revision, Section 27.00 Letters, and Finance Letters can provide the Legislature with updates on significant changes to federal funding.

SEC. 9.10—Supplemental Report of the Committee on Conference on the Budget Bill. I delete this Control Section.

I am deleting this section because to do otherwise would imply that I concur with the contents of this report. It is unreasonable to expect State agencies to respond to special requests during a year when budget reductions severely impact their ability to perform required statutory duties.

SEC. 11.50—Transfers pursuant to Section 6217 of the Public Resources Code. I am revising Section 11.50 by reducing the amount of Tidelands Oil Revenue to be allocated to the General Fund from \$61,154,000 to \$58,414,000, as follows:

“(d) Notwithstanding any other provision of law, the sum of up to ~~thirty-nine million dollars (\$39,000,000)~~ *thirty-seven million five hundred fifty-nine thousand dollars (\$37,559,000)* shall be allocated to the General Fund for the 1994–95 fiscal year from tidelands oil revenue otherwise subject to Section 6217 of the Public Resources Code.”

“(e) Section 11.50(d), Budget Act of 1993, is amended to read as follows: “(d) Notwithstanding any other provision of law, the sum of ~~twenty-two million one hundred fifty-four thousand dollars (\$22,154,000)~~ *Twenty million eight hundred fifty-five thousand dollars (\$20,855,000)* shall be allocated to the General Fund for the 1993–94 fiscal year from tidelands oil revenue otherwise subject to Section 6217 of the Public Resources Code.”

This reduction will provide for a prudent reserve to meet any unanticipated cost increases for capital outlay projects funded from this fund source, and will eliminate the need to provide General Fund monies for this purpose.

SEC. 12.32—Proposition 98 Guarantee. I am revising subsection (b) of Section 12.32 to correspond to the calculated Proposition 98 guarantee level.

(b) Pursuant to the Proposition 98 funding requirements established in Chapter 2 (commencing with Section 41200) of Part 24 of the Education Code, the total appropriations for Proposition 98 for the 1994–95 fiscal year are ~~\$14,383,369,000~~ *fourteen billion three hundred sixty-five million five hundred seven thousand dollars (\$14,365,507,000)*, or ~~35.630~~ *35.587* percent of total General Fund revenues and transfers subject to the state appropriations limit. General Fund revenues set aside for school districts are ~~\$13,176,915,000~~ *thirteen billion one hundred seventy-seven million five hundred sixty-five thousand dollars (\$13,177,565,000)*, or ~~32.641~~ *32.645* percent of total General Fund revenues and transfers subject to the state appropriations limit. General Fund revenues set aside for California Community Colleges are ~~\$1,124,314,000~~ *one billion one hundred four million one hundred thirty-two thousand dollars (\$1,104,132,000)*, or ~~2.785~~ *2.735* percent of total General Fund revenues and transfers subject to the state appropriations limit. General Fund revenues set aside for other state agencies which provide direct elementary and secondary level education, as defined in Section 41302.5 of the Education Code, are ~~\$82,140,000~~ *eighty-three million eight hundred ten thousand dollars (\$83,810,000)*, or ~~0.204~~ *.208* percent of total General Fund revenues and transfers subject to the state appropriations limit.

SEC. 31.50—Related to the elimination of General Fund positions vacant from July 1, 1993 to March 15, 1994. I delete this Control Section.

I am deleting this section, as there could be legal consequences if a department made a hiring commitment or filled one of the vacant positions subsequent to March 15, 1994. Further, existing statute already provides for elimination of positions which are continuously vacant for the last nine months of a fiscal year.

With the above deletions, revisions and reductions, I hereby approve Senate Bill 2120.

PETE WILSON, Governor

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

SECTION 1.00. This act shall be known and may be cited as the "Budget Act of 1994."

SEC. 1.25. Notwithstanding any other provision of law, including, but not limited to, Section 13308 of the Government Code or any other provision of Chapter 458 of the Statutes of 1990, no further reductions shall be made to General Fund appropriations on July 1, 1994, pursuant to Chapter 458 of the Statutes of 1990.

SEC. 1.50. (a) In accordance with Section 13338 of the Government Code, as added by Chapter 1284, Statutes of 1978 (AB 3322), and as amended by Chapter 1286, Statutes of 1984 (AB 3372), it is the intent of the Legislature that this act utilize a coding scheme compatible with the Governor's Budget and the records of the State Controller, and provide for the appropriation of federal funds received by the state and deposited in the State Treasury.

(b) Essentially, the format and style are as follows:

(1) Appropriation item numbers have a code which is common to all the state's fiscal systems. The meaning of this common coded item number is as follows:

2720—Organization Code (this code represents the California Highway Patrol)

001—Reference Code (first appropriation for a particular fund for support of each department)

044—Fund Code (Motor Vehicle Account, State Transportation Fund)

(2) Appropriation items are organized in organization code order as reflected in the Governor's Budget.

(3) All the appropriation items, reappropriation items, and reversion items, if any, for each department or entity are adjacent to one another.

(4) Federal funds received by the state and deposited in the State Treasury are appropriated in separate items.

(c) The Department of Finance may authorize revisions to the codes used in this act in order to provide compatibility between the codes used in this act and those used in the Governor's Budget and in the records of the State Controller.

(d) Notwithstanding any other provision of this act, the Department of Finance may revise the schedule of any appropriation made in this act where the revision is of a technical nature and is consistent with legislative intent. These revisions may include, but shall not be limited to, the substitution of category for program or program for category limitations, the proper categorization of allocated administration costs and cost recoveries, the distribution of any unallocated amounts within an appropriation and the adjustment of schedules to facilitate departmental accounting operations including the elimination of categories providing for amounts payable from other items or other appropriations and the distribution of unscheduled amounts to programs or categories. These revisions shall include a certification that the revisions comply with the intent and limitation of expenditures as appropriated by the Legislature.

(e) Notwithstanding any other provision of this act, when the Department of Finance, pursuant to subdivision (d), approves the schedule or revision of any appropriation relating to the elimination of amounts payable, the language authorizing the transfer shall also be eliminated.

SEC. 2.00. (a) The following sums of money, or so much thereof as may be necessary unless otherwise provided herein, are hereby appropriated for the use and support of the State of California for the 1994-95 fiscal year beginning July 1, 1994, and ending June 30, 1995. All of these appropriations, unless otherwise provided herein, shall be paid out of the General Fund in the State Treasury.

(b) Appropriations and reappropriations for capital outlay, unless otherwise provided herein, shall be available for expenditure during the 1994-95, 1995-96, and 1996-97 fiscal years, except that appropriations and reappropriations for studies, planning, working drawings, or minor capital outlay, except as provided herein, shall be available for expenditure only during the 1994-95 fiscal year. In addition, the balance of every appropriation made in this act which contains funding for construction that has not been allocated, through fund transfer or approval to proceed to bid, by the Department of Finance on or before June 30, 1995, except as provided herein, shall revert as of that date to the fund from which the appropriation was made.

(c) Whenever by constitutional or statutory provision the revenues or receipts of any institution, department, board, bureau, commission, officer, employee, or other agency, or any moneys in any special fund created by law therefor, are to be used for salaries, support or any proper purpose, expenditures shall be made therefrom

for any such purposes, to the extent only of the amount therein appropriated, unless otherwise stated herein, or authorized pursuant to Section 11006 of the Government Code.

(d) Appropriations for purposes not otherwise provided for herein which have been heretofore made by any existing constitutional or statutory provision shall continue to be governed thereby.

LEGISLATIVE/JUDICIAL/EXECUTIVE

Legislative

Item	Amount
0110-001-001—For support of Senate.....	51,777,000
Schedule:	
(a) 101001-Salaries of Senators	3,139,000
(b) 317295-Mileage	4,000
(c) 317292-Expenses.....	924,000
(d) 500004-Operating Expenses	47,260,000
(e) 317296-Automotive Expenses	450,000
Provisions:	
1. The funds appropriated in Schedule (d) are for operating expenses of the Senate, including personal services for officers, clerks, and all other employees, and legislative committees thereof composed in whole or in part of Members of the Senate, and for support of joint expenses of the Legislature, to be transferred by the Controller to the Senate Operating Fund.	
2. The funds appropriated in Schedule (e) are for operating expenses of the Senate relating to the purchase, maintenance, repair, insurance, and other costs of operating automobiles for the use of Members of the Senate, to be transferred by the Controller to the Senate Operating Fund.	
3. The funds appropriated in Schedules (a), (b), (c), and (e) may be transferred to or from the Senate Operating Fund.	
0120-011-001—For support of Assembly	73,282,000
Schedule:	
(a) 101001-Salaries of Assemblymembers.....	6,005,000
(b) 317295-Mileage	8,000
(c) 317292-Expenses.....	1,882,000
(d) 500004-Operating Expenses	64,660,000
(e) 317296-Automotive Expenses	727,000

Item	Amount
Provisions:	
1. The funds appropriated in Schedule (d) are for operating expenses of the Assembly, including personal services for officers, clerks, and all other employees, and legislative committees thereof composed in whole or in part of Members of the Assembly, and for support of joint expenses of the Legislature, to be transferred by the Controller to the Assembly Operating Fund.	
2. The funds appropriated in Schedule (e) are for operating expenses of the Assembly relating to the lease, maintenance, repair, insurance, and other costs of operating automobiles for the use of Members of the Assembly, to be transferred by the Controller to the Assembly Operating Fund.	
3. The funds appropriated by Schedules (a), (b), (c), and (e) may be transferred to or from the Assembly Operating Fund.	
0130-021-001—For support of the Office of the Legislative Analyst.....	0
Schedule:	
(a) Expenses of the Office of the Legislative Analyst.....	3,628,000
(b) Transferred from Item 0110-001-001	-1,814,000
(c) Transferred from Item 0120-011-001	-1,814,000
Provisions:	
1. The funds appropriated in Schedule (a) are for the expenses of the Office of the Legislative Analyst and for any charges, expenses, or claims it may incur, available without regard to fiscal years, to be paid on certification of the Chairperson of the Joint Legislative Budget Committee.	
2. Funds shown in Schedules (b) and (c) may be transferred from the Assembly Operating Fund, by the Assembly Committee on Rules, and the Senate Operating Fund, by the Senate Committee on Rules.	
3. If the Legislature does not provide cost-of-living increases to its employees during the 1994-95 fiscal year, the funds budgeted for this purpose in Schedule (a) shall be adjusted accordingly and the amounts transferred for this purpose in Schedules (b) and (c) shall revert to the oper-	

Item	Amount
ating fund from which the funds were transferred.	
0160-001-001—For support of Legislative Counsel Bureau	54,591,000
Schedule:	
(a) Support.....	54,722,000
(b) Reimbursements.....	- 131,000

Judicial

0250-001-001—For support of Judiciary	148,639,067
Schedule:	
(a) 10-Supreme Court.....	18,041,000
(b) 20-Courts of Appeal.....	103,287,910
(c) 30-Judicial Council.....	27,925,157
(e) Reimbursements.....	- 442,000
(f) Amount payable from the Motor Vehicle Account, State Transportation Fund (Item 0250-001-044) .	- 123,000
(g) Amount payable from the Court Interpreters Account (Item 0250-001-327)	- 50,000

Provisions:

1. Notwithstanding Section 6.50 of this act, the funds appropriated or scheduled in this item may be allocated or reallocated among categories by order of the Judicial Council; however, any allocation or reallocation by the Judicial Council shall be reported to the Director of Finance.
2. Of the amount appropriated in Schedule (b), the total amount available for expenditure for support of the Fifth District Court of Appeals shall not be less than the total amount expended for support of the Fifth District Court of Appeals in the 1992-93 fiscal year.
3. By December 1, 1994, the Judicial Council shall report to the Legislature on all of the following:
 - (a) the development of minimum standards for continuing judicial education, including standards on ethics and fairness; (b) progress in the development of an education curriculum on issues of fairness and bias based on sexual orientation, race, ethnicity, culture, gender, and other areas of discrimination and stereotyping; and (c) the final recommendations of the Standing Committee on Judicial Performance Proce-

Item	Amount
dures concerning discipline and ethical standards. By May 1, 1995, the Judicial Council shall report to the Legislature on progress toward the elimination of actual and perceived bias and discrimination within the judiciary, including recommendations on ethical standards regarding fairness.	
0250-001-044—For support of Judiciary, for payment to Item 0250-001-001, payable from the Motor Vehicle Account, State Transportation Fund.....	123,000
0250-001-327—For support of Judiciary, for payment to Item 0250-001-001, payable from the Court Interpreters Account.....	50,000
0250-011-001—For support of the Commission on Judicial Performance.....	2,427,000
Provisions:	
1. Notwithstanding any other provision of law, because the integrity of the judiciary is of the highest priority, the Commission on Judicial Performance shall report by January 1, 1995, to the chair of the Joint Legislative Budget Committee, and the chairs of the budget committees of both houses, and the chairs of the judiciary committees in both houses, on the operations of the commission, including, but not limited to, the following:	
(a) Amount of staff time spent on the intake of each complaint.	
(b) The nature and extent of the followup of each complaint.	
(c) Amount of time spent on each investigation.	
(d) A detailed account of the procedure of the investigation.	
(e) The nature and extent of the disposition of each investigation.	
(f) The nature of each complaint, including, but not limited to, bias, willful misconduct in office, persistent failure or inability to perform the duties of a judge, habitual intemperance in the use of intoxicants or drugs, conduct prejudicial to the administration of justice that brings the judicial office into disrepute, or other improper actions or derelictions of duty.	
(g) Amount of time spent on in-court visits (announced and unannounced).	

Item	Amount
(h) Amount of money spent on judicial education and ethics training.	
(i) Amount of money spent on public outreach that facilitates the filing of complaints by the public.	
<p>The commission shall report, on or before August 1, 1994, as to the staffing and budget distributions including, but not limited to, staffing designations, investigation expenses, hearing expenses, and commission meeting expenses.</p>	
0390-001-001—For support, for transfer by the Controller to the Judges’ Retirement Fund, for Supreme Court and appellate court justices	1,320,000
Provisions:	
1. Upon order of the Department of Finance, the Controller shall transfer such funds as are necessary between Item 0390-001-001 and Item 0390-101-001.	
0390-101-001—For local assistance, for transfer by the State Controller to the Judges’ Retirement Fund for superior court and municipal court judges.....	31,880,000
Provisions:	
1. Upon order of the Department of Finance, the Controller shall transfer such funds as are necessary between Item 0390-001-001 and Item 0390-101-001.	
0450-101-001—For local assistance, State Trial Court Funding, for implementation of the Trial Court Funding Program as authorized in Chapter 13 (commencing with Section 77000) of Title 8 of the Government Code.	439,094,000
Schedule:	
(a) Support for operation of the Trial Courts	492,941,000
(b) 25-Salaries of Superior Court Judges	77,651,000
(c) 35-Assigned Judges.....	10,002,000
(d) Amount payable from Trial Court Trust Fund (Item 0450-101-932)	-141,500,000
Provisions:	
1. The amount appropriated in Schedule (a) shall be allocated and reallocated by the Trial Court Budget Commission, as approved by the Judicial Council.	

Item	Amount
2. Notwithstanding Section 6.50 of this act, the funds appropriated or scheduled in this item may be allocated or reallocated among categories by the Trial Court Budget Commission as approved by the Judicial Council; however, any allocation or reallocation by the Judicial Council shall be reported to the Director of Finance.	
3. The Judicial Council and the Trial Court Budget Commission shall establish efficiency standards for all trial court functions supported by state appropriations. The council and commission shall include allocation criteria that provide incentives for trial courts to implement efficiencies and cost savings measures enacted since 1991.	
4. The amount appropriated in Schedule (c) shall be made available for all judicial assignments and for the payment of workers' compensation claims for municipal and justice court judges.	
0450-101-932—For local assistance, State Trial Court Funding, for payment to Item 0450-101-001 payable from Trial Court Trust Fund	141,500,000
1. All moneys deposited in the Trial Court Trust Fund, including moneys in excess of the \$141,500,000 appropriated by this item, shall be allocated to the trial courts in accordance with the court financing provisions adopted by the Trial Court Budgeting Commission as approved by the Judicial Council.	
Executive	
0500-001-001—For support of Governor and of Governor's office	4,764,000
Schedule:	
(a) Support.....	4,764,000
0510-001-001—For support of Secretary for State and Consumer Services	750,000
Schedule:	
(a) Support.....	1,231,000
(b) Reimbursements.....	-481,000
0520-001-044—For support of Secretary for Business, Transportation and Housing, payable from the Motor Vehicle Account, State Transportation Fund ..	710,000

Item	Amount
Schedule:	
(a) 10-Administration of Business, Transportation and Housing Agency.....	1,757,000
(b) 20-Business Revitalization Center	134,000
(c) Reimbursements.....	-1,181,000
Provisions:	
1. (a) The Business, Transportation and Housing Agency shall convene a Housing Task Force, by September 15, 1994, that shall include representatives from the Department of Housing and Community Development, the California Housing Finance Agency, the California Tax Credit Allocation Committee, the Legislature, and the for-profit and nonprofit housing communities.	
(b) The task force shall submit to the appropriate fiscal and policy committees of the Legislature and the Joint Legislative Budget Committee on or before February 15, 1995, a report that includes recommendations on how best to coordinate resources offered by local, state, federal, and private sources in order to further the state's housing goals in an effective and efficient manner.	
(c) By April 15, 1995, the task force shall submit to the appropriate fiscal and policy committees of the Legislature and the Joint Legislative Budget Committee a report that includes recommendations on the following:	
(1) Whether and how the delivery of state housing assistance could be improved by conforming, coordinating, or consolidating differing program requirements of state housing programs with similar objectives.	
(2) How to create and implement performance standards for the state's housing programs. The report shall specifically address, but not be limited to, reasonable, obtainable, and measurable standards for evaluating the coordination and efficiency of state housing programs.	
(d) The Business, Transportation and Housing Agency, the Department of Housing and Community Development, the California	

Item	Amount
<p>Housing Finance Agency, and the California Tax Credit Allocation Committee shall provide adequate staff and resources to the task force in order to ensure the successful completion of these reports. In the event that the Business, Transportation and Housing Agency is eliminated or reorganized, the responsibilities set forth under this item shall be transferred to the executive agency with housing oversight responsibility, or, if no such agency exists, the Department of Housing and Community Development.</p>	
0530-001-001—For support of Secretary for Health and Welfare.....	1,285,000
Schedule:	
(a) 10-Secretary for Health and Welfare	1,844,000
(b) Reimbursements.....	-559,000
0540-001-001—For support of Secretary for Resources.	1,092,000
Schedule:	
(a) 10-Administration of Resources Agency.....	2,726,000
(b) Reimbursements.....	-471,000
(c) Amount payable from the California Environmental License Plate Fund (Item 0540-001-140)	-755,000
(cx) Amount payable from the Outer Continental Shelf Lands Act Section 8(g) Revenue Fund (Item 0540-001-164)	-209,000
(d) Amount payable from the Environmental Enhancement and Mitigation Demonstration Program Fund (Item 0540-001-183) ..	-114,000
(e) Amount payable from the Federal Trust Fund (Item 0540-001-890) ..	-85,000
0540-001-140—For support of Secretary for Resources, for payment to Item 0540-001-001, payable from the California Environmental License Plate Fund	755,000
0540-001-164—For support of Secretary for Resources, for payment to Item 0540-001-001, payable from the Outer Continental Shelf Lands Act, Section 8(g) Revenue Fund.....	209,000
0540-001-183—For support of Secretary for Resources, for payment to Item 0540-001-001, payable from the Environmental Enhancement and Mitigation Demonstration Program Fund.....	114,000

Item	Amount
0540-001-890—For support of Secretary for Resources, for payment to Item 0540-001-001, payable from the Federal Trust Fund.....	85,000
0550-001-001—For support of the Secretary for the Youth and Adult Correctional Agency, Program 10	862,000
0555-001-100—For support of Secretary for Environmental Protection, payable from the California Used Oil Recycling Fund	464,000
Schedule:	
(a) Support.....	2,429,000
(b) Reimbursements.....	-1,705,000
(c) Amount payable from the Integrated Waste Management Account, Integrated Waste Management Fund (Item 0555-001-387)...	-260,000
Provisions:	
1. Notwithstanding paragraph (2) of subdivision (a) of Section 48653 of the Public Resources Code, funds appropriated in this item shall be available for purposes of administration.	
0555-001-387—For support of Secretary for Environmental Protection, for payment to Item 0555-001-100, payable from the Integrated Waste Management Account, Integrated Waste Management Fund	260,000
0555-012-387—For expenditure by the Secretary for Environmental Protection for the sole purpose of repaying a loan made to the secretary during the 1992-93 fiscal year, pursuant to Item 0555-001-435 of the Budget Act of 1992, the sum of \$630,000 is hereby appropriated from the Integrated Waste Management Account.....	(630,000)
0558-001-001—For support of Secretary of Child Development and Education	1,166,000
Provisions:	
1. The amount provided in this item is intended for support of the Child Development and Education Agency. The appropriation is an estimate of the funding needs from January 1, 1995, to June 30, 1995. Legislation establishing the agency is currently pending and, if enacted, would be effective January 1, 1995. In the event that legislation creating the agency is not enacted or the effective date is delayed, the Director of Finance is authorized to transfer expendi-	

Item	Amount
ture authority from this item to Item 0650-011-001.	
0650-001-001—For support of Office of Planning and Research.....	3,012,000
Schedule:	
(a) 11-State Planning and Policy Development.....	4,188,000
(b) Reimbursements.....	-319,000
(c) Amount payable from the Property Acquisition Law Account (Item 0650-001-002).....	-455,000
(d) Amount payable from the Petroleum Violation Escrow Account (Item 0650-001-853).....	-100,000
(e) Amount payable from the Federal Trust Fund (Item 0650-001-890) ..	-302,000
0650-001-002—For support of Office of Planning and Research, for payment to Item 0650-001-001, payable from the Property Acquisition Law Account	455,000
0650-001-853—For support of Office of Planning and Research, for payment to Item 0650-001-001, payable from the Petroleum Violation Escrow Account	100,000
Provisions:	
1. Notwithstanding any other provisions of law, this appropriation shall be available for encumbrance and expenditure during the 1994-95, 1995-96 and 1996-97 fiscal years.	
0650-001-890—For support of Office of Planning and Research, for payment to Item 0650-001-001, payable from the Federal Trust Fund.....	302,000
0650-011-001—For support of Office of Planning and Research.....	910,000
Provisions:	
1. The funds provided in this item are intended for support of the Child Development and Education Agency (CDEA). The appropriation is an estimate of the funding needs from July 1, 1994, to December 31, 1994. Legislation establishing the agency is currently pending, and if enacted would be effective January 1, 1995. After December 31, 1994, and upon determination that all obligations of the CDEA in the Office of Planning and Research have been met, the Director of Finance is authorized to transfer expenditure authority not used by the CDEA and remaining in this item to Item 0558-001-001.	

Item	Amount
0650-011-890—For support of Office of Planning and Research, for support of the California Commission on Improving Life Through Service.....	1,100,000
0690-001-001—For support of Office of Emergency Services	17,877,000
Schedule:	
(a) 15-Mutual Aid Response.....	8,369,000
(b) 35-Plans and Preparedness	15,987,000
(c) 45-Disaster Assistance	11,012,000
(d) 55.01-Administration and Executive.....	2,929,000
(e) 55.02-Distributed Administration and Executive	-2,929,000
(f) Reimbursements.....	-3,864,000
(g) Amount payable from the Nuclear Planning Assessment Special Account (Item 0690-001-029).....	-729,000
(h) Amount payable from the Federal Trust Fund (Item 0690-001-890) ..	-12,898,000
Provisions:	
1. Funds appropriated by this item may be reduced by the Director of Finance, after giving notice to the Chairperson of the Joint Legislative Budget Committee, by the amount of federal funds made available for the purposes of this item in excess of the federal funds scheduled in Item 0690-001-890.	
2. The Office of Emergency Services shall charge tuition for all training offered through the California Specialized Training Institute.	
3. Upon the approval by the Department of Finance, the Controller shall transfer such funds as are necessary between this item and Item 0690-101-890.	
0690-001-029—For support of Office of Emergency Services, for payment to Item 0690-001-001, payable from the Nuclear Planning Assessment Special Account...	729,000
0690-001-890—For support of Office of Emergency Services, for payment to Item 0690-001-001, payable from the Federal Trust Fund	12,898,000
Provisions:	
1. No funds, either state or federal, shall be expended by any state agency for developing or implementing “crisis relocation planning,” or for any planning whose primary or exclusive purpose is to effect a mass evacuation of Califor-	

Item	Amount
nia's civilian population, in the event of the threat of a nuclear war.	
If, as a result of this section, the Federal Emergency Management Agency (FEMA) withholds other federal funds whose purposes are the support of California's emergency planning and preparedness for civilian and natural disasters, and if the court of original jurisdiction upholds the legality of such action by FEMA, then the implementation of this section shall be suspended until judicial appeals have been exhausted or Congress prohibits this action by FEMA.	
0690-101-001—For local assistance, Office of Emergency Services.....	12,572,000
Schedule:	
(a) For transfer to the Public Facilities and Local Agency Disaster Response Account (251)	12,572,000
0690-101-029—For local assistance, Office of Emergency Services, Program 35—Plans and Preparedness, payable from the Nuclear Planning Assessment Special Account.....	1,674,000
0690-101-890—For local assistance, Office of Emergency Services, Program 45—Disaster Assistance, payable from the Federal Trust Fund	135,054,000
Provisions:	
1. Any federal funds that may become available in addition to the funds appropriated by this item for Program 45—Disaster Assistance are exempt from Section 28.00 of this act.	
0690-301-688—For capital outlay, Office of Emergency Services, payable from the 1994 general obligation bond funds.....	3,934,000
Schedule:	
(1) 80.10.001—Sacramento OES Headquarters and State Operations Center—Acquisition and Preliminary Plans.....	3,934,000
Provisions:	
1. Funds appropriated by this item shall be made available from any November 1994 general obligation bond act under which the project described in Schedule (1) is eligible for funding.	
0750-001-001—For support of Office of the Lieutenant Governor	1,305,000

Item	Amount
Schedule:	
(a) 10-General Activities.....	1,375,000
(b) Reimbursements.....	-70,000
0820-001-001—For support of Department of Justice ...	178,416,000
Schedule:	
(a) 11.01-Directorate-Administration .	38,017,000
(b) 11.02-Distributed Directorate-Administration	-38,017,000
(c) 25-Executive Programs	5,492,000
(d) 30-Civil Law	50,491,000
(e) 40-Criminal Law.....	60,197,000
(f) 45-Public Rights.....	26,847,000
(g) 50-Law Enforcement.....	172,508,000
(h) Reimbursements.....	-65,952,000
(i) Amount payable from the Attorney General Antitrust Account, General Fund (Item 0820-001-012)	-523,000
(ix) Amount payable from Hazardous Waste Control Account, General Fund (Item 0820-001-014)	-3,256,000
(j) Amount payable from Firearm Safety Training Fund (Item 0820-001-015)	-720,000
(k) Amount payable from the Fingerprint Fees Account, General Fund (Item 0820-001-017)	-20,474,000
(l) Amount payable from the Motor Vehicle Account, State Transportation Fund (Item 0820-001-044) .	-17,726,000
(m) Amount payable from the Department of Justice Sexual Habitual Offender Fund, (SHOP), General Fund (Item 0820-001-142)	-1,574,000
(n) Amount payable from the Dealers' Record of Sale Special Account, General Fund (Item 0820-001-460)	-7,066,000
(o) Amount payable from the Narcotics Assistance and Relinquishment by Criminal Offender Fund (NARCO) (Item 0820-001-469) ...	-544,000
(p) Amount payable from the Gaming Registration Fee Account, General Fund (Item 0820-001-477)	-517,000

Item	Amount
(q) Amount payable from the Federal Trust Fund (Item 0820-001-890) ..	-16,241,000
(r) Amount payable from the Federal Asset Forfeiture Account, Special Deposit Fund (Item 0820-001-942)	-1,012,000
(s) Amount payable from the State Asset Forfeiture Account, Special Deposit Fund (Item 0820-011-942)	-1,514,000

Provisions:

1. The Attorney General shall submit to the Legislature, the Department of Finance, and the Governor the quarterly and annual reports that he or she submits to the federal government on the activities of the Medi-Cal Fraud Unit.
2. Notwithstanding any other provision of law, the Department of Justice may purchase vehicles of any type or class, which in the judgment of the Attorney General or his or her designee are necessary to the performance of the investigatory and enforcement responsibilities of the Department of Justice, from the funds appropriated for that purpose in this item.
3. Notwithstanding Section 28.00 of this act, the Attorney General may augment the reimbursement authority for this item by up to an aggregate of 10 percent above the amount approved in this act for the Civil Law Division and the Public Rights Division in cases where the legal representation needs of client agencies are secured by an interagency agreement or letter of commitment and the corresponding expenditure authority has not been provided in this item. The Attorney General shall notify the chairpersons of the budget committees and the Joint Legislative Budget Committee within 15 days after the augmentation is made as to the amount, justification, and the program that has been augmented.
4. Of the funds appropriated in Schedule (e), \$9,223,000, plus amounts required for employee compensation increases, shall be available for the support of the Correctional Law Section. The Department of Justice shall notify the Department of Finance and the Legislative Analyst before any of the funds appropriated in Sched-

Item	Amount
<p>ule (e) for the Correctional Law Section is used for any purpose other than support of the Correctional Law Section.</p> <p>5. Of the funds appropriated in Schedule (g), \$263,000 shall be available for collection, analysis, and reporting on the statewide prevalence of violent crimes motivated by the victim's race, ethnicity, religion, sexual orientation, or disability.</p>	
<p>0820-001-012—For support of Department of Justice, for payment to Item 0820-001-001, payable from the Attorney General Antitrust Account, General Fund.....</p>	523,000
<p>0820-001-014—For support of Department of Justice, for payment to Item 0820-001-001, payable from the Hazardous Waste Control Account, General Fund.....</p>	3,256,000
<p>0820-001-015—For support of Department of Justice, for payment to Item 0820-001-001, payable from the Firearms Safety Training Fund, Special Account</p>	720,000
<p>0820-001-017—For support of Department of Justice, for payment to Item 0820-001-001, payable from the Fingerprint Fees Account, General Fund, pursuant to subdivision (e) of Section 11105 of the Penal Code.....</p>	20,474,000
<p>0820-001-044—For support of Department of Justice, for payment to Item 0820-001-001, payable from the Motor Vehicle Account, State Transportation Fund</p>	17,726,000
<p>0820-001-142—For support of Department of Justice, for payment to Item 0820-001-001, payable from the Department of Justice Sexual Habitual Offender Fund (SHOP), General Fund</p>	1,574,000
<p>0820-001-460—For support of Department of Justice, for payment to Item 0820-001-001, payable from the Dealers' Record of Sale Special Account, General Fund.....</p> <p>Provisions:</p> <p>1. Dealers' Record of Sale fees collected pursuant to the state law for the registration of assault weapons shall not exceed \$20 per registrant.</p>	7,066,000
<p>0820-001-469—For support of Department of Justice, for payment to Item 0820-001-001, payable from the Narcotics Assistance and Relinquishment by Criminal Offender Fund (NARCO), General Fund</p>	544,000

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0820-001-477—For support of Department of Justice, for payment to Item 0820-001-001, payable from the Gaming Registration Fee Account, General Fund.....	517,000
0820-001-890—For support of Department of Justice, for payment to Item 0820-001-001, payable from the Federal Trust Fund.....	16,241,000
0820-001-942—For support of Department of Justice, for payment to Item 0820-001-001, payable from the Federal Asset Forfeiture Account, Special Deposit Fund.....	1,012,000
0820-011-012—For transfer to the General Fund, payable from the first \$600,000 in revenues in the Attorney General Antitrust Account, General Fund.....	(600,000)
0820-011-942—For support of Department of Justice, for payment to Item 0820-001-001, payable from the State Asset Forfeiture Account, Special Deposit Fund.....	1,514,000
0820-101-001—For local assistance, Department of Justice.....	3,650,000
Schedule:	
(a) 40-Criminal Law.....	3,500,000
(b) 50-Law Enforcement.....	150,000
Provisions:	
1. The funds appropriated in Schedule (a) are for allocation to local district attorneys for vertical prosecution activities related to implementation of the Battered Women Protection Act of 1994, pursuant to AB 167 of the 1993-94 Regular Session.	
2. The funds appropriated in Schedule (a) are for allocation by the Controller to counties with a population under 1,250,000 to reimburse specified costs associated with the Clandestine Laboratory Enforcement Program.	
0820-101-460—For local assistance, Department of Justice.....	600,000
Schedule:	
(a) 50-Law Enforcement.....	600,000
0840-001-001—For support of State Controller.....	64,140,000
Schedule:	
(a) 100000-Personal Services.....	69,387,000
(b) 300000-Operating Expenses and Equipment.....	35,851,000
(c) Reimbursements.....	-32,980,000

Item	Amount
(d) Amount payable from the Motor Vehicle Fuel Account, Transportation Tax Fund (Item 0840-001-061)	-2,766,000
(e) Amount payable from the Highway Users Tax Fund (Item 0840-001-062)	- 786,000
(f) Amount payable from the State School Building Lease-Purchase Fund (Item 0840-001-344)	-579,000
(g) Amount payable from the Client Services Fund (Item 0840-001-365)	- 380,000
(h) Amount payable from the State School Building Aid Fund (Item 0840-001-739)	- 123,000
(i) Amount payable from the Federal Trust Fund (Item 0840-001-890) ..	-2,404,000
(j) Amount payable from the State Penalty Fund (Item 0840-001-903)	- 906,000
(k) Amount payable from nongovernmental cost funds, Retail Sales Tax Fund (Item 0840-001-988)	-174,000

Provisions:

1. The appropriation made by this item shall be in lieu of any Cigarette Tax Fund allocation made pursuant to subdivision (b) of Section 30462 of the Revenue and Taxation Code during the 1994-95 fiscal year, and no funds shall be allocated to the Controller pursuant to Section 30462 of the Revenue and Taxation Code during the 1994-95 fiscal year.
2. The appropriation made by this item shall be in lieu of the appropriation in Section 1564 of the Code of Civil Procedure for all costs, expenses, or obligations connected with the administration of the Unclaimed Property Law, with the exception of payment of owners' or holders' claims pursuant to Section 1540, 1542, 1560, or 1561 of the Code of Civil Procedure.
3. Of the claims received for reimbursement of court-ordered or voluntary desegregation programs pursuant to Sections 42243.6, 42247, and 42249 of the Education Code, the Controller shall pay only those claims that have been subjected to audit by school districts in accordance

Item	Amount
with the Controller's procedures manual for conducting audits of education desegregation claims. Furthermore, the Controller shall pay only those past year actual claims for desegregation program costs that are accompanied by all reports issued by the auditing entity, unless the auditing entity was the Controller.	
4. No less than 0.9 personnel-year in the Audits Division shall be used to audit education desegregation claims.	
5. The Controller may, with the concurrence of the Director of Finance and the Chairperson of the Joint Legislative Budget Committee, bill affected state departments for activities required by State Administrative Manual Section 20050—Administration of Federal Pass-through Funds.	
No billing may be sent to affected departments sooner than 30 days after the Chairperson of the Joint Legislative Budget Committee has been notified by the Director of Finance that he or she concurs with the amounts specified in the billings.	
6. No moneys appropriated by this act may be expended by the Controller for any of the following:	
(a) An amount in excess of \$35,000 for the purpose of providing mailed notice to the apparent owners of escheated property as required by subdivision (e) of Section 1531 of the Code of Civil Procedure.	
(b) An amount in excess of \$150,000 for the purpose of publication of notice pursuant to subdivision (a) of Section 1531 of the Code of Civil Procedure. Notwithstanding subdivision (b) of Section 1531 of the Code of Civil Procedure, the Controller may publish notice in any manner that the Controller determines reasonable, provided that: (1) none of the moneys used for these purposes may be redirected from funding for the Controller's audit activities, (2) no photo is used in the publication of notice, and (3) no elected official's name is used in the publication of notice.	
(c) For providing information to the public, other than holders of unclaimed property	

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(as defined in subdivision (e) of Section 1501 of the Code of Civil Procedure), concerning the unclaimed property program or possible existence of unclaimed property held by the Controller's office, except for informational announcements to the news media.	
7. The Controller shall increase its audits of the provider billings in the Medi-Cal program in such a manner as to enhance General Fund resources by at least \$17,000,000 (in addition to any corresponding enhancement in federal funds).	
8. For a General Fund revenue gain of \$59,000,000, the Controller shall redirect \$940,000 from its administrative activities to the following activities: sales of securities, inheritance and estate tax collections, and audits of unclaimed property.	
9. Of the moneys appropriated to the Controller by this act, the Controller shall not expend more than \$500,000 to conduct post eligibility fraud audits of the Supplemental Security Income/State Supplementary Payment Program (SSI/SSP) for a General Fund savings of \$2,600,000 to the Department of Social Services (Item 5180-111-001).	
0840-001-061—For support of State Controller, for payment to Item 0840-001-001, payable from the Motor Vehicle Fuel Account, Transportation Tax Fund.....	2,766,000
0840-001-062—For support of State Controller, for payment to Item 0840-001-001, payable from the Highway Users Tax Fund.....	786,000
0840-001-344—For support of State Controller, for payment to Item 0840-001-001, payable from the State School Building Lease-Purchase Fund.....	579,000
0840-001-365—For support of State Controller, for payment to Item 0840-001-001, payable from the Client Services Fund.....	380,000
0840-001-739—For support of State Controller, for payment to Item 0840-001-001, payable from the State School Building Aid Fund.....	123,000
0840-001-890—For support of State Controller, for payment to Item 0840-001-001, payable from the Federal Trust Fund.....	2,404,000
0840-001-903—For support of State Controller, for payment to Item 0840-001-001, payable from the State Penalty Fund.....	906,000

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0840-001-988—For support of State Controller, for payment to Item 0840-001-001, payable from nongovernmental cost funds (Retail Sales Tax Fund)	174,000
0840-101-071—For local assistance, payable from the Yosemite Foundation Account in the Environmental License Plate Fund.....	258,000
Provisions:	
1. There is hereby appropriated to the Controller for allocation to the Yosemite Foundation all moneys deposited in the account for activities authorized pursuant to Chapter 1273 of the Statutes of 1992.	
0860-001-001—For support of State Board of Equalization	158,364,000
Schedule:	
(a) 100000-Personal Services	198,492,000
(b) 300000-Operating Expenses and Equipment	66,671,000
(bx) Unallocated reduction.....	-3,698,000
(c) Reimbursements	-86,482,000
(e) Amount payable from the Breast Cancer Fund (Item 0860-001-004)	-67,000
(f) Amount payable from the State Emergency Telephone Number Special Account, General Fund (Item 0860-001-022)	-581,000
(g) Amount payable from the Transportation Planning and Development Account, State Transportation Fund (Item 0860-001-046)	-254,000
(h) Amount payable from the Motor Vehicle Fuel Account, Transportation Tax Fund (Item 0860-001-061)	-9,183,000
(i) Amount payable from the Occupational Lead Poisoning Prevention Account, General Fund (Item 0860-001-070)	-324,000
(j) Amount payable from the Childhood Lead Poisoning Prevention Fund (Item 0860-001-080)	-601,000
(k) Amount payable from the Insurance Fund (Item 0860-001-217) ...	-277,000
(l) Amount payable from the Cigarette and Tobacco Products Sur-tax Fund (Item 0860-001-230)	-889,000

Item	Amount
(m) Amount payable from the Oil Spill Prevention and Administration Fund (Item 0860-001-320)	-282,000
(n) Amount payable from the Integrated Waste Management Account, Solid Waste Management Fund (Item 0860-001-387)	-315,000
(o) Amount payable from the Underground Storage Tank Cleanup Fund, General Fund (Item 0860-001-439)	-813,000
(p) Amount payable from the Energy Resources Programs Account, General Fund (Item 0860-001-465)	-97,000
(q) Amount payable from the Federal Trust Fund (Item 0860-001-890) ..	-188,000
(r) Amount payable from the Timber Tax Fund (Item 0860-001-965)	-2,748,000

Provisions:

1. The State Board of Equalization shall contract with a private consultant to provide supplemental project management expertise in support of its ongoing efforts to redesign and relocate its central data processing systems. This consultant shall be experienced in the successful management of large-scale computer-based projects. The board may, at its discretion, contract for any services it deems necessary to oversee the management contract, including the development of contract specifications and verification of contract deliverables.
3. It is the intent of the Legislature that the State Board of Equalization resolve tax controversies without litigation, on a basis that is fair to both the state and the taxpayer and in a manner that will enhance voluntary compliance and public confidence in the integrity and efficiency of the board.
4. It is the intent of the Legislature that the State Board of Equalization, Franchise Tax Board, and Employment Development Department shall develop an Integration Master Plan for integrating tax information systems. This plan shall include, at a minimum, all of the following:
 - (a) An identification of common functions, operations, or processes and vision of what in-

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Amount

- tegrated revenue operations should do for the state and for taxpayers.
- (b) A description of how the three revenue agencies can work cooperatively to create an overall revenue system that will increase tax compliance, reduce the reporting burden on taxpayers, and provide greater taxpayer convenience.
 - (c) A strategic plan that addresses how and when current proposed systems should be integrated.
 - (d) Protocols to ensure that telecommunications and data processing systems developed after the plan is adopted contribute to the achievement of the joint vision.
 - (e) Standards, structures, and processes to ensure that the ability to exchange information between systems is a feature of any automated systems developed after the plan is adopted and that data can be shared in a way that helps to implement the plan.
 - (f) Certifications from each department, upon preparing feasibility study reports, that the proposed project is consistent with the master plan.
 - (g) A requirement that the Department of Finance approve each proposal by a tax agency to modify an existing information system or develop a new system as consistent with the strategic plan prior to approval of the feasibility study report for each project.
 - (h) Submittal of the master plan to the Department of Finance for review and approval. The Department of Finance shall transmit the approved master plan to the Joint Legislative Budget Committee, the fiscal committees, and the revenue committees of the Legislature for review and comment at least 30 days prior to approval.
5. The Director of the Department of Finance may authorize the augmentation of the amount authorized in this item by up to \$3,400,000 if he or she determines that the State Board of Equalization has complied with the Legislature's intent regarding the applicability of the Sales and Use Tax Law, as set forth in Part 1 (commencing

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<p>with Section 6001) of Division 2 of the Revenue and Taxation Code, to transactions involving the sale of ostriches. Any augmentation authorized pursuant to this provision may not be authorized sooner than 30 days after notification in writing of the necessity therefor to the chairperson of the committee in each house which considers appropriations and the chairperson of the Joint Legislative Budget Committee, or not sooner than whatever lesser time the chairperson of the joint committee, or his or her designee, may determine. The notification required pursuant to this section shall contain a statement as to the basis for the director's determination. Any authorization for augmentation pursuant to this section shall be immediately terminated by the director in the event that the basis for the director's determination of compliance is invalidated by events occurring subsequent to the determination.</p>	
<p>6. Of the funds appropriated by this item, the State Board of Equalization shall allocate sufficient resources to initiate a strategic planning effort to consolidate the state's tax administration activities, which shall be jointly conducted by the State Board of Equalization and the Franchise Tax Board. Up to \$150,000 may be expended to pay the State Board of Equalization's share of costs for consulting services needed in connection with the strategic planning effort. It is the intent of the Legislature that the jointly conducted strategic planning efforts produce a plan to facilitate orderly consolidation of the state's tax administration activities, including the identification of how critical issues such as the consolidation of computer systems, telecommunications, and office space will be resolved, and the identification of other critical issues that may need to be resolved through legislation. The State Board of Equalization and the Franchise Tax Board shall provide a progress report regarding the strategic planning effort to the Joint Legislative Budget Committee and the fiscal committees of each house no later than April 1, 1995. This provision shall be operative only upon the enactment of legislation authorizing the</p>	

Item	Amount
consolidation of the state's tax administration activities.	
0860-001-004—For support of State Board of Equalization, for payment to Item 0860-001-001, payable from the Breast Cancer Fund.....	67,000
0860-001-022—For support of State Board of Equalization, for payment to Item 0860-001-001, payable from the State Emergency Telephone Number Special Account, General Fund	581,000
0860-001-046—For support of State Board of Equalization, for payment to Item 0860-001-001, payable from the Transportation Planning and Development Account, State Transportation Fund.....	254,000
0860-001-061—For support of State Board of Equalization, for payment to Item 0860-001-001, payable from the Motor Vehicle Fuel Account, Transportation Tax Fund	9,183,000
0860-001-070—For support of State Board of Equalization, for payment to Item 0860-001-001, payable from the Occupational Lead Poisoning Prevention Account, General Fund	324,000
0860-001-080—For support of State Board of Equalization, for payment to Item 0860-001-001, payable from the Childhood Lead Poisoning Prevention Fund.....	601,000
0860-001-217—For support of State Board of Equalization, for payment to Item 0860-001-001, payable from the Insurance Fund.....	277,000
0860-001-230—For support of State Board of Equalization, for payment to Item 0860-001-001, payable from the Cigarette and Tobacco Products Surtax Fund.....	889,000
0860-001-320—For support of State Board of Equalization, for payment to Item 0860-001-001, payable from the Oil Spill Prevention and Administration Fund.....	282,000
0860-001-387—For support of State Board of Equalization, for payment to Item 0860-001-001, payable from the Integrated Waste Management Account, Solid Waste Management Fund.....	315,000
0860-001-439—For support of State Board of Equalization, for payment to Item 0860-001-001, payable from the Underground Storage Tank Cleanup Fund.....	813,000

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0860-001-465—For support of State Board of Equalization, for payment to Item 0860-001-001, payable from the Energy Resources Programs Account, General Fund	97,000
0860-001-890—For support of State Board of Equalization, for payment to Item 0860-001-001, payable from the Federal Trust Fund	188,000
0860-001-965—For support of State Board of Equalization, for payment to Item 0860-001-001, payable from the Timber Tax Fund	2,748,000
0890-001-001—For support of Secretary of State	10,952,000
Schedule:	
(a) 100000-Personal Services	16,105,000
(b) 300000-Operating Expenses and Equipment.....	10,336,000
(c) Special Item of Expense—Election Related Costs	6,367,000
(d) Reimbursements.....	-6,756,000
(e) Amount payable from the Secretary of State Business Fees Fund (Item 0890-001-228)	-15,100,000
Provisions:	
1. Of the funds appropriated in Schedules (a) or (b) of this item, \$564,400 shall not be expended on the Uniform Commercial Code (UCC) Filings Online Status System until the Department of Finance has approved the Special Project Report submitted by the Secretary of State's office for the UCC system.	
0890-001-228—For support of Secretary of State, for payment to Item 0890-001-001, payable from the Secretary of State Business Fees Fund	15,100,000
Provisions:	
1. Notwithstanding any other provision of law, the Secretary of State may expend an amount not to exceed \$162,000 of the funds appropriated in this item for the investigation and prosecution of voter fraud in California.	
0950-001-001—For support of State Treasurer	5,080,000
Schedule:	
(a) 100000-Personal Services	11,847,000
(b) 300000-Operating Expenses and Equipment.....	4,559,000
(c) Reimbursements.....	-11,326,000
0956-001-171—For support of California Debt Advisory Commission, payable from the California Debt Advise-ment Fund.....	1,287,000

Item	Amount
Schedule:	
(a) 10-California Debt Advisory Commission	1,327,000
(b) Reimbursements.....	-40,000
Provisions:	
1. Notwithstanding any other provision of law, the Director of Finance may authorize expenditures for the California Debt Advisory Commission in excess of the amount appropriated not sooner than 30 days after notification in writing of the necessity therefor is provided to the chairpersons of the fiscal committees and the Chairperson of the Joint Legislative Budget Committee, or not sooner than whatever lesser time the chairperson of the committee, or his or her designee, may in each instance determine.	
0959-001-169—For support of California Debt Limit Allocation Committee, payable from the California Debt Limit Allocation Committee Fund	404,000
Schedule:	
10-Debt Limit Allocation Committee	404,000
Provisions:	
1. Notwithstanding any other provision of law, the Director of Finance may authorize expenditures for the California Debt Limit Allocation Committee in excess of the amount appropriated not sooner than 30 days after notification in writing of the necessity therefor is provided to the chairpersons of the fiscal committees and the Chairperson of the Joint Legislative Budget Committee, or not sooner than whatever lesser time the chairperson of the committee, or his or her designee, may in each instance determine.	
0965-001-215—For support of California Industrial Development Financing Advisory Commission, payable from the Industrial Development Fund.....	411,000
Schedule:	
(a) 10-Industrial Dev. Financing Advisory Commission	411,000
Provisions:	
1. Notwithstanding any other provision of law, the Director of Finance may authorize expenditures for the California Industrial Development Financing Advisory Commission in excess of the amount appropriated not sooner than 30 days after notification in writing of the necessity there-	

Item	Amount
<p>for is provided to the chairpersons of the fiscal committees and the Chairperson of the Joint Legislative Budget Committee, or not sooner than whatever lesser time the chairperson of the committee, or his or her designee, may in each instance determine.</p>	
<p>0968-001-457—For support of California Tax Credit Allocation Committee, payable from the Mortgage Bond and Tax Credit Allocation Fee Account</p>	1,448,000
<p>Schedule:</p>	
<p>(a) 10-California Tax Credit Allocation Committee.....</p>	1,448,000
<p>Provisions:</p>	
<p>1. Notwithstanding any other provision of law, the Director of Finance may authorize expenditures for the California Tax Credit Allocation Committee in excess of the amount appropriated not sooner than 30 days after notification in writing of the necessity therefor is provided to the chairpersons of the fiscal committees and the Chairperson of the Joint Legislative Budget Committee, or not sooner than whatever lesser time the chairperson of the committee, or his or her designee, may in each instance determine.</p>	
<p>0971-001-528—For support of California Alternative Energy Source Financing Authority, payable from the California Alternative Energy Authority Fund</p>	169,000
<p>Schedule:</p>	
<p>(a) 10-California Alternative Energy Source Financing Authority</p>	169,000
<p>Provisions:</p>	
<p>1. Notwithstanding any other provision of law, the Director of Finance may authorize expenditures for the California Alternative Energy Source Financing Authority in excess of the amount appropriated not sooner than 30 days after notification in writing of the necessity therefor is provided to the chairpersons of the fiscal committees and the Chairperson of the Joint Legislative Budget Committee, or not sooner than whatever lesser time the chairperson of the joint committee, or his or her designee, may in each instance determine.</p>	
<p>0974-001-918—For support of the California Pollution Control Financing Authority, payable from the Small Business Expansion Fund.....</p>	750,000

Item		Amount
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Provisions:

1. Notwithstanding any other provision of law, funds appropriated in this item shall be used to support the Capital Access Loan Program established by Chapter 1164 of the Statutes of 1993.

STATE AND CONSUMER SERVICES

1100-001-001—	For support of Museum of Science and Industry.....	5,640,000
	Schedule:	
	(a) 10-Education.....	7,107,000
	(b) 30-California Afro-American Museum	907,000
	(c) 40.01-Administration	1,004,000
	(d) 40.02-Distributed Administration .	—1,004,000
	(f) Reimbursements.....	—232,000
	(g) Amount payable from the Exposition Park Improvement Fund (Item 1100-001-267).....	—2,142,000

Provisions:

1. The Director of General Services shall not approve a contract, permit, or lease agreement by the museum (excluding those for museum exhibits) that reduces state revenues or increases state costs by \$25,000 or more unless, not sooner than 30 days prior to giving his or her approval, the director submits in writing to the Chairperson of the Joint Legislative Budget Committee notification of the director's intent to approve that contract, permit, or lease, or not sooner than such lesser time as the chairperson may in each instance determine. This provision shall have no effect as to those contracts that the legislative fiscal committees have examined as part of the budget process or otherwise.

1100-001-267—	For support of California Museum of Science and Industry, for payment to Item 1100-001-001, payable from the Exposition Park Improvement Fund	2,142,000
1100-301-660—	For capital outlay, California Museum of Science and Industry, payable from the Public Buildings Construction Fund.....	29,372,000
	Schedule:	
	(1) 90.50.010-New Museum Facility—	
	Construction	29,372,000

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Amount

Provisions:

1. The State Public Works Board may issue revenue bonds, negotiable notes, or negotiable bond anticipation notes pursuant to Chapter 5 (commencing with Section 15830) of Part 10b of Division 3 of Title 2 of the Government Code for the purposes of the project identified in Schedule (1).
2. Pursuant to Provision 1, the State Public Works Board may authorize, in addition to the costs of construction, any amounts necessary to pay the costs of financing, including interest during construction of the project, to provide a reasonable required reserve fund, and to pay the cost of issuing permanent financing.
3. Notwithstanding Section 13332.11 of the Government Code, the State Public Works Board may not approve funding augmentations for this project in an aggregate amount exceeding 15 percent of the amount appropriated in this item. The board shall notify the chair of the Joint Legislative Budget Committee at least 20 days prior to approving any augmentation for this project.
4. The Department of General Services, throughout the course of this project, shall comply fully with Section 10120 of the Public Contract Code and with all other requirements and procedures under the State Contract Act.
5. The funding appropriated by this item is for the construction of a new museum facility as described in the preliminary plans approved by the State Public Works Board in March 1994.
6. The project identified in Schedule (1) shall conform in every respect to the requirements applied to the project in connection with the approval previously granted by the State Office of Historic Preservation.
7. Funds appropriated by this item are available for expenditure or encumbrance only if the California Museum of Science and Industry does not demolish the Armory Building.
8. It is the intent of the Legislature to enact legislation to authorize the California Museum of Science and Industry to enter into a long-term lease with the Los Angeles Unified School District for the development of a demonstration

Item	Amount
<p>mathematics/science-based school pursuant to the conversion or other use of the existing Armory building and surrounding property. That project shall be subject to all of the following conditions:</p> <ul style="list-style-type: none"> (a) Plans shall be developed for conversion or other use of the Armory property for this school purpose. (b) The Los Angeles Unified School District shall demonstrate that it has sufficient funds, from sources other than the California Museum of Science and Industry, to complete the school project. (c) The Los Angeles Unified School District, in its plans for the school, shall give attention to the historical preservation significance of the Armory. (d) Any plan for conversion or other use of the Armory by the Los Angeles Unified School District shall be submitted for approval by a resolution of the Legislature prior to proceeding with the plan. <p>1100-495—Reversion, Museum of Science and Industry. Notwithstanding any other provision of law, as of June 30, 1994, \$24,951,000 of the funds appropriated from the Earthquake Safety Public Buildings Rehabilitation Bond Act of 1990 by Chapter 757 of the Statutes of 1992 for the correction of all seismic and other fire and life safety problems identified with the Armory and Ahmanson buildings shall revert to the Earthquake Safety and Public Buildings Rehabilitation Fund of 1990.</p> <p>Provisions:</p> <ol style="list-style-type: none"> 1. Notwithstanding Section 13332.11 of the Government Code, the State Public Works Board shall not approve any augmentation of the funding provided from the Earthquake Safety and Public Buildings Rehabilitation Fund of 1990 for the project authorized by Section 4 of Chapter 757 of the Statutes of 1992. 2. The funds appropriated by Section 4 of Chapter 757 of the Statutes of 1992 and remaining after the reversion required by this item are available for the project identified in Schedule (1) of Item 1100-301-660 and are subject to Provisions 4 to 8, inclusive, of that item. 	

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1111-001-166—For transfer by the Controller from the Certification Account to the Consumer Affairs Fund.....	525,000
1111-001-325—For transfer by the Controller from the Electronic and Appliance Repair Fund to the Consumer Affairs Fund.....	2,074,000
1111-001-406—For transfer by the Controller from the Tax Preparers Fund to the Consumer Affairs Fund	746,000
1111-001-421—For transfer by the Controller from the Vehicle Inspection and Repair Fund to the Consumer Affairs Fund.....	71,030,000
1111-001-752—For transfer by the Controller from the Bureau of Home Furnishings Fund to the Consumer Affairs Fund.....	2,826,000
1111-001-769—For transfer by the Controller from the Private Investigator Fund to the Consumer Affairs Fund.....	5,073,000
1111-001-859—For transfer by the Controller from the High Polluter Removal or Repair Account to the Consumer Affairs Fund	(25,027,000)
1111-010-702—For support of Department of Consumer Affairs—Administrative and Consumer Services; Bureau of Automotive Repair; Bureau of Electronic and Appliance Repair; Bureau of Home Furnishings and Thermal Insulation; Bureau of Security and Investigative Services; Arbitration Review Program; and Tax Preparers Program—payable from the Consumer Affairs Fund.....	107,301,000
Schedule:	
(a) 01.01-Support for Department of Consumer Affairs—Administrative and Consumer Services; Bureau of Automotive Repair; Bureau of Electronic and Appliance Repair; Bureau of Home Furnishings and Thermal Insulation; Bureau of Security and Investigative Services; Arbitration Review Program; and Tax Preparers Program.....	129,807,000
(b) Reimbursements.....	— 22,506,000
Provisions:	
1. Each transfer from Items 1111-001-166, 1111-001-325, 1111-001-406, 1111-001-421, 1111-001-752, 1111-001-769, and 1111-001-859 may be increased or decreased by an amount not to exceed 15 percent of the total of each transfer, without further	

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<p>authorization, to reflect the actual distributed costs of the program.</p> <p>2. The funds transferred from Items 1111-001-166, 1111-001-325, 1111-001-406, 1111-001-421, 1111-001-752, 1111-001-769, or 1111-001-859 shall be used only for the purposes authorized under current law. In no case shall the total transfers exceed the total appropriation in this item.</p> <p>3. Of the amount transferred pursuant to Item 1111-001-859, no more than \$1,027,000 shall be expended for the design, implementation, and administration of the high-polluting-vehicle repair and replacement program. The remaining balance shall be used to purchase or repair high-polluting vehicles pursuant to Article 9 (commencing with Section 44090) of Chapter 5 of Part 5 of Division 26 of the Health and Safety Code, as added by Chapter 28 of the Statutes of 1994.</p> <p>4. Notwithstanding any other provision of law, the Director of the Department of Consumer Affairs, or his or her designee, in lieu of the Director of Finance, is authorized to carry out the provisions of Section 31.00 of this act as it pertains to the positions funded by this item.</p> <p>5. Notwithstanding any other provision of law, the Director of the Department of Consumer Affairs, or his or her designee, in lieu of the Director of Finance, is authorized to carry out the provisions of Section 6.50 of this act as it pertains to category transfers related to this item.</p> <p>6. The Legislature finds and declares the following:</p> <p>(a) The state's fiscal situation remains difficult and state resources continue to be limited. Fiscal relief might be provided in part by encouraging innovation at the Department of Consumer Affairs. The department should also be mission-driven and results-oriented.</p> <p>(b) Performance budgeting, as described in Chapter 8 (commencing with Section 11800) of Part 1 of Division 3 of Title 2 of the Government Code, can be used to encourage innovation and reward departments that are mission-driven and results-oriented.</p>	

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7. The following shall apply to the Department of Consumer Affairs and its bureaus:
 - (a) The budgeting system used in prior fiscal years does not appropriately measure results or outcomes.
 - (b) The success of performance budgeting assumes all of the following:
 - (1) The department has developed a strategic plan that can be implemented.
 - (2) Meaningful outcome measures are available, and are the primary focus of management accountability.
 - (3) The department develops productivity benchmarks that accurately measure progress toward strategic goals.
 - (4) Managers have sufficient operational flexibility that the Legislature has determined to be necessary to achieve strategic goals.
 - (5) Legislative approval of policy objectives, performance measures, and desired outcomes.
 - (6) Successful innovation is rewarded.
 - (c) The Legislature, in conjunction with the Department of Consumer Affairs, hereby initiates a pilot project for the 1994-95 fiscal year that holds the department accountable for results rather than process. The pilot shall include the following:
 - (1) The establishment of a single "800" number with multilanguage capability by May 31, 1994. The single "800" number shall accommodate the bureaus' consumer transactions.
 - (2) The development of a five-year educational plan for consumers, licensees, and industry by July 1, 1994. The department shall report the plan to the Legislature no later than July 1, 1994.
 - (3) The streamlining of the administrative/adjudicative process by creating, no later than December 31, 1994, a joint process improvement team with the department's Enforcement Division, the Attorney General, and the Office of Administrative Hearings. The department shall report the protocols for the

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- new process to the Legislature by January 15, 1995.
- (4) The establishment, no later than June 30, 1995, of a market condition index (a composite measure to determine the real and perceived illegal, incompetent, or unethical activity in a specific market), as described in the department's strategic plan, for each of the five programs under the director's authority.
 - (5) The development of an annual enforcement plan that targets areas and practices within industries for improvement beginning June 30, 1995. The department shall report its enforcement plan to the Legislature no later than February 1, 1995.
 - (6) The establishment, by June 30, 1996, of a one-stop, one-step procedure for licensing application and processing for participating programs.
 - (7) Regulatory reviews of the five programs under the director's authority to determine whether the regulatory activities are appropriate and necessary, and whether they should be eliminated, modified, or continued. This assessment shall be based on the department's evaluation of the public benefit of the regulatory activity, the program's success in attaining those benefits, and the data gathered as part of the market condition index. The department shall report its review of two programs to the Legislature no later than January 1, 1996. The department shall report its reviews of the remaining programs to the Legislature no later than January 1, 1997.
- (d) The performance measures developed by the department for the pilot project shall include those elements necessary to appropriately measure results and outcomes. Those elements shall include, but not be limited to, all of the following:

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- (1) Strategic outcome measure: Implement a market condition index (MCI) for each of the five participating programs by June 30, 1995.
- (2) Intermediate outcome measures:
 - (A) Conduct customer satisfaction surveys to measure licensing, complaint intake, mediation, and enforcement outcomes. The surveys shall provide the basis for evaluating the bureaus' performance.
 - (B) Measure times taken to process license applications, mediate complaints, investigate and adjudicate cases, and respond to consumer inquiries. The department shall report this data in quartiles or smaller increments. Averages or means do not provide sufficient information for evaluating performance.
 - (C) Identify the percentage of complaints resulting in some form of compensation to consumers.
- (3) Input measures:
 - (A) Log the total costs of licensing, intake, mediation, and enforcement activities.
 - (B) Log the total number of telephone inquiries answered.
- (4) Output measures:
 - (A) Log the total numbers of licenses and registrations issued or renewed, and complaints received and closed.
 - (B) Identify the usage of language lines and compute the number of complaints by caller type.
 - (C) Identify the percentage of licensees and registrants who violate the same statute.
- (5) Efficiency measures: Calculate the costs of licenses and registrations issued or renewed, examinations administered, complaint inquiries received, complaints mediated, and cases investigated. The data shall provide the basis for statistical evaluation beyond averages and means. For these purposes,

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- average or median costs do not provide sufficient analytical information.
- (e) In addition to the commitments included in its strategic business and information systems plans and performance measures, the department has agreed to the following:
- (1) The department shall submit to the Legislature: (A) a strategic plan and performance measures by July 1, 1994; (B) baseline performance measures by November 1, 1994; (C) performance targets by March 1, 1995; and (D) a status report by May 31, 1995.
 - (2) The department may adopt the strategic plan, performance measures, baseline performance measures, and performance targets unless the Joint Legislative Budget Committee notifies the department within 60 days after submittal that the proposal is insufficient. The department shall hold regular meetings with legislators and their representatives to discuss changes to those elements of the proposal.
 - (3) Commencing on January 1, 1995, the department shall report semiannually to the Joint Legislative Budget Committee, the appropriate fiscal committees, and the Department of Finance regarding the status of the implementation of its strategic business and information systems plans, the status of meeting its performance targets, and the status of implementation and impact of the administrative flexibilities provided.
 - (4) The department shall not modify its strategic business and information systems plans or performance measures sooner than 30 days after notification, in writing, to the Joint Legislative Budget Committee and the appropriate fiscal committees and the Department of Finance.

Item	Amount
1111-301-421—For capital outlay, Bureau of Automotive Repair, Department of Consumer Affairs, payable from the Vehicle Inspection and Repair Fund	2,400,000
Schedule:	
(1) 98.30.010-Bureau of Automotive Repair—Undercover Shop Facility Acquisition.....	2,400,000
Provisions:	
1. From the funds appropriated in this item, the Department of Consumer Affairs may acquire an undercover shop facility only at or below the State's appraised value.	
1120-001-704—For support of Board of Accountancy, payable from the Accountancy Fund.....	9,162,000
Schedule:	
(a) 3-Board of Accountancy.....	9,181,000
(b) Reimbursements.....	-19,000
1130-001-706—For support of California State Board of Architectural Examiners, payable from the California State Board of Architectural Examiners' Fund.....	3,766,000
Schedule:	
(a) 6-Board of Architectural Examiners.....	3,771,000
(b) Reimbursements.....	-5,000
1140-001-001—For support of the State Athletic Commission.....	1,042,000
Schedule:	
(a) 9-State Athletic Commission	1,063,000
(b) Amount payable from the Boxer's Pension Account (Item 1140-002-008)	-21,000
Provisions:	
1. Notwithstanding any other provision of law, all revenues collected pursuant to Chapter 2 (commencing with Section 18600) of Division 8 of the Business and Professions Code, with the exception of revenues generated pursuant to Sections 18882 (Boxer's Pension Account) and 18887 (Disability Insurance Account) of the Business and Professions Code, shall be deposited in the General Fund.	
2. Notwithstanding any other provision of law, all revenues generated pursuant to Section 18711 of the Business and Professions Code, and expenditures made to administer and provide neuro-	

Item	Amount
logical examinations required by Section 18711 of the Business and Professions Code, shall be accounted for separately by the State Athletic Commission.	
3. All funds appropriated by this item from revenues generated pursuant to Section 18711 of the Business and Professions Code shall be used solely for financing neurological examinations. It is estimated that \$320,000 will be made available to this item for the 1994-95 fiscal year from that revenue source.	
1140-002-008—For support of the State Athletic Commission, for payment to Item 1140-001-001, payable from the Boxer's Pension Account.....	21,000
1140-401—The loans made from the Vehicle Inspection and Repair Fund and the Boxer's Neurological Examination Account pursuant to Section 14.00 of the Budget Act of 1992 (Chapter 587, Statutes of 1992), in the amount of \$168,000 are hereby forgiven.	
1165-001-069—For support of State Board of Barbering and Cosmetology, payable from the Board of Barbering and Cosmetology Contingent Fund.....	9,162,000
Schedule:	
(a) 16-State Board of Barbering and Cosmetology	9,184,000
(b) Reimbursements.....	-22,000
1170-001-773—For support of Board of Behavioral Science Examiners of the State of California, payable from the Behavioral Science Examiners Fund.....	4,557,000
Schedule:	
(a) 18-Board of Behavioral Science Examiners	5,072,000
(b) Reimbursements.....	-515,000
1180-001-717—For support of Cemetery Board, Program 21, payable from the Cemetery Fund.....	186,500
Provisions:	
1. The Cemetery Fund is exempt from Sections 13.50 and 13.70 of the Budget Act of 1993 (Chapter 55, Statutes of 1993).	
1230-001-093—For support of Contractors' State License Board, for payment to Item 1230-001-735, payable from the Construction Management Education Account, Contractors' License Fund	16,000
1230-001-735—For support of Contractors' State License Board, payable from the Contractors' License Fund.....	37,661,000

Item	Amount
Schedule:	
(a) 30-Contractors' State License Board.....	37,730,000
(b) Reimbursements.....	-53,000
(c) Amount payable from the Construction Management Education Account (Item 1230-001-093).....	-16,000
Provisions:	
1. No funds appropriated by this item may be encumbered for any services of the Attorney General which are in excess of the amounts budgeted therefor sooner than 30 days after written notification by the Department of Finance to the Chairperson of the Joint Legislative Budget Committee.	
1260-001-741—For support of Board of Dental Examiners of California, payable from the State Dentistry Fund.....	5,347,000
Schedule:	
(a) 36-Board of Dental Examiners.....	5,412,000
(b) Reimbursements.....	-65,000
1270-001-380—For support of Board of Dental Examiners of California, payable from the Dental Auxiliary Fund.....	1,010,000
Schedule:	
(a) 36-Board of Dental Examiners.....	1,014,000
(b) Reimbursements.....	-4,000
1330-001-750—For support of State Board of Funeral Directors and Embalmers, payable from the State Funeral Directors and Embalmers Fund.....	432,000
Schedule:	
(a) 48-State Board of Funeral Directors and Embalmers.....	438,000
(b) Reimbursements.....	-6,000
Provisions:	
1. The State Funeral Directors and Embalmers Fund is exempt from Sections 13.50 and 13.70 of the Budget Act of 1993 (Chapter 55, Statutes of 1993).	
1340-001-205—For support of State Board of Registration for Geologists and Geophysicists, Program 51, payable from the Geology and Geophysics Fund.....	657,000
1350-011-001—For transfer by the Controller from the General Fund to the State Board of Guide Dogs for the Blind as a loan, effective July 1, 1994.....	(10,750)

Item	Amount
Provisions:	
1. The transfer made by this item is a loan to the State Board of Guide Dogs for the Blind to support the board's operations for the first quarter of the 1994-95 fiscal year.	
2. The loan shall be repaid by the State Board of Guide Dogs for the Blind to the General Fund no later than June 30, 1995.	
1370-001-757—For support of California State Board of Landscape Architects, Program 60, payable from the State Board of Landscape Architects Fund	489,000
1390-001-175—For support of Dispensing Opticians, Medical Board of California, for payment to Item 1390-001-758, payable from the Dispensing Opticians Fund.....	234,000
1390-001-755—For support of Licensed Midwifery Program, Medical Board of California, for payment to Item 1390-001-758, payable from the Licensed Midwifery Fund.....	57,000
1390-001-758—For support of the Medical Board of California, payable from the Contingent Fund of the Medical Board of California.....	31,764,000
Schedule:	
(a) 63.10.010-Medical Board of California	33,043,000
(b) 63.15-Registered Dispensing Opticians.....	234,000
(c) 63.18-Licensed Midwifery Program	57,000
(d) 63.10.020-Distributed Medical Board of California	-972,000
(e) Reimbursements.....	-307,000
(f) Amount payable from the Dispensing Opticians Fund (Item 1390-001-175)	-234,000
(g) Amount payable from the Licensed Midwifery Fund (Item 1390-001-755)	-57,000
1400-001-108—For support of the Acupuncture Committee, Medical Board of California, payable from the Acupuncturists Fund	818,000
Schedule:	
(a) 63.20-Acupuncture Committee.....	841,000
(b) Reimbursements.....	-23,000

Item	Amount
1410-001-208—For support of Hearing Aid Dispensers Examining Committee, Medical Board of California, payable from the Hearing Aid Dispensers Fund.....	476,000
Schedule:	
(a) 63.30-Hearing Aid Dispensers Examining Committee.....	485,000
(b) Reimbursements.....	-9,000
1420-001-759—For support of Physical Therapy Examining Committee, Medical Board of California, payable from the Physical Therapy Fund.....	995,000
Schedule:	
(a) 63.40-Physical Therapy Examining Committee.....	1,061,000
(b) Reimbursements.....	-66,000
1430-001-280—For support of Physician's Assistant Examining Committee, Medical Board of California, payable from the Physician's Assistant Fund	669,000
Schedule:	
(a) 63.50-Physician's Assistant Examining Committee.....	677,000
(b) Reimbursements.....	-8,000
1440-001-295—For support of Podiatry Examining Committee, Medical Board of California, payable from the Podiatry Fund.....	984,000
Schedule:	
(a) 63.60-Podiatry Examining Committee.....	988,000
(b) Reimbursements.....	-4,000
1450-001-310—For support of the Board of Psychology, Medical Board of California, payable from the Psychology Fund.....	2,274,000
Schedule:	
(a) 63.70-Board of Psychology.....	2,313,000
(b) Reimbursements.....	-39,000
1455-001-319—For support of Respiratory Care Examining Committee, Medical Board of California, payable from the Respiratory Care Fund	1,514,000
Schedule:	
(a) 63.75-Respiratory Care Examining Committee.....	1,580,000
(b) Reimbursements.....	-66,000
1460-001-376—For support of Speech Pathology and Audiology Examining Committee, Medical Board of California, payable from the Speech Pathology and Audiology Examining Committee Fund	310,000

Item	Amount
Schedule:	
(a) 63.80-Speech Pathology and Audi- ology Committee	322,000
(b) Reimbursements.....	-12,000
1470-001-260—For support of State Board of Examiners of Nursing Home Administrators, payable from the Nursing Home Administrators' State License Ex- amining Board Fund.....	443,000
Schedule:	
(a) 66-State Board of Examiners of Nursing Home Administrators	444,000
(b) Reimbursements.....	-1,000
1480-001-763—For support of State Board of Optome- try, payable from the State Optometry Fund.....	757,000
Schedule:	
(a) 69-Board of Optometry.....	763,000
(b) Reimbursements.....	-6,000
1490-001-767—For support of California State Board of Pharmacy, payable from the Pharmacy Board Contingent Fund.....	4,774,506
Schedule:	
(a) 72-Board of Pharmacy.....	4,984,506
(b) Reimbursements.....	-210,000
Provisions:	
1. Of the amount appropriated in this item, \$136,506 is for the purpose of conducting a study on the feasibility of computerizing the triplicate prescription program. The California State Board of Pharmacy may contract with the De- partment of Justice for this purpose.	
1500-001-770—For support of State Board of Registra- tion for Professional Engineers and Land Survey- ors, payable from the Professional Engineers' and Land Surveyors' Fund	5,991,000
Schedule:	
(a) 75-State Board of Registration for Professional Engineers and Land Surveyors	5,995,000
(b) Reimbursements.....	-4,000
1510-001-761—For support of Board of Registered Nurs- ing, payable from the Board of Registered Nursing Fund.....	12,228,000
Schedule:	
(a) 78-Board of Registered Nursing ...	12,771,000
(b) Reimbursements.....	-543,000
1520-001-771—For support of Court Reporters Board, payable from the Court Reporters' Fund	565,000

Item	Amount
Schedule:	
(a) 81-Court Reporters Board.....	566,000
(b) Reimbursements.....	-1,000
1530-001-399—For support of the Structural Pest Control Board, for payment to Item 1530-001-775, payable from the Structural Pest Control Education and Enforcement Fund	206,000
1530-001-775—For support of Structural Pest Control Board, payable from the Structural Pest Control Fund.....	2,535,000
Schedule:	
(a) 84-Structural Pest Control Board .	2,857,000
(b) Reimbursement.....	-2,000
(c) Amount payable from the Structural Pest Control Education and Enforcement Fund (Item 1530-001-399).....	-206,000
(d) Amount payable from the Structural Pest Control Research Fund (Business and Professions Code Section 8674).....	-114,000
1560-001-777—For support of Board of Examiners in Veterinary Medicine, payable from the Board of Veterinary Examiners Contingent Fund.....	977,000
Schedule:	
(a) 90.10.010-Board of Examiners in Veterinary Medicine	1,003,000
(b) Reimbursements.....	-26,000
1570-001-118—For support of Board of Examiners in Veterinary Medicine, Program 90, payable from the Animal Health Technician Examining Committee Fund	94,000
1590-001-779—For support of Board of Vocational Nurse and Psychiatric Technician Examiners of the State of California, payable from the Vocational Nurse and Psychiatric Technician Examiners' Fund, Vocational Nurses Account	3,544,000
Schedule:	
(a) 91.10.010-Vocational Nurses.....	3,597,000
(b) 91.10.020-Distributed Vocational Nurses.....	-37,000
(c) Reimbursements.....	-16,000
1600-001-780—For support of Board of Vocational Nurse and Psychiatric Technician Examiners of the State of California, Program 91, payable from the Vocational Nurse and Psychiatric Technician Examiners Fund, Psychiatric Technicians Account ..	1,098,000

Item	Amount
Provisions:	
1. The amount appropriated from this item is from the moneys deposited under the provisions of Section 4547 of the Business and Professions Code.	
1700-001-001—For support of Department of Fair Employment and Housing	10,242,000
Schedule:	
(a) 50-Administration of Civil Rights	
Law.....	12,321,000
(b) Reimbursements.....	- 13,000
(c) Amount payable from the Federal Trust Fund (Item 1700-001-890) ..	-2,066,000
1700-001-890—For support of Department of Fair Employment and Housing, for payment to Item 1700-001-001, payable from the Federal Trust Fund	2,066,000
1705-001-001—For support of the Fair Employment and Housing Commission	672,000
(a) Program 10.....	786,000
(b) Reimbursements.....	- 114,000
1710-001-001—For support of State Fire Marshal	2,962,000
Schedule:	
(a) 10-State Fire Marshal.....	10,375,000
(b) Reimbursements.....	-2,277,000
(c) Amount payable from the State Fire Marshal Licensing and Certification Fund (Item 1710-001-102)	-1,482,000
(d) Amount payable from the California Oil Refinery and Chemical Safety Fund (Item 1710-001-105) ..	- 421,000
(e) Amount payable from the California Fire and Arson Training Fund (Item 1710-001-198)	-1,573,000
(f) Amount payable from the Hazardous Liquid Pipeline Safety Fund (Item 1710-001-209)	-1,561,000
(g) Amount payable from the Federal Trust Fund (Item 1710-001-890) ..	- 99,000
1710-001-102—For support of the State Fire Marshal, for payment to Item 1710-001-001, payable from the State Fire Marshal Licensing and Certification Fund.....	1,482,000
1710-001-105—For support of the State Fire Marshal, for payment to Item 1710-001-001, payable from the California Oil Refinery and Chemical Safety Fund.....	421,000

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1710-001-198—For support of the State Fire Marshal, for payment to Item 1710-001-001, payable from the California Fire and Arson Training Fund.....	1,573,000
1710-001-209—For support of the State Fire Marshal, for payment to Item 1710-001-001, payable from the Hazardous Liquid Pipeline Safety Fund.....	1,561,000
1710-001-890—For support of the State Fire Marshal, for payment to Item 1710-001-001, payable from the Federal Trust Fund.....	99,000
1730-001-001—For support of Franchise Tax Board	274,689,000
Schedule:	
(a) 10-Tax Programs	272,925,000
(b) 20-Homeowners and Renters Assistance	1,954,000
(c) 30-Political Reform Audit (1,207,000)	0
(d) 40-Child Support Collections	2,064,000
(e) 50-DMV Collections.....	7,864,000
(f) 70-Contract Work	2,081,000
(g) 80.01-Administration	14,485,845
(h) 80.02-Distributed Administration	-14,485,845
(i) Reimbursements.....	-3,781,000
(j) Amount payable from the State Highway Account, State Transportation Fund (Item 1730-001-042)	-21,000
(k) Amount payable from the Motor Vehicle Account, State Transportation Fund (Item 1730-001-044)	-2,720,000
(l) Amount payable from the Motor Vehicle License Fee Account, Transportation Tax Fund (Item 1730-001-064)	-5,123,000
(m) Amount payable from the Delinquent Tax Collection Fund (Sections 18839 and 26256 of the Revenue and Taxation Code)	-404,000
(n) Amount payable from the Rare Fish, Wildlife, and Plant Species Conservation and Enhancement Account, Fish and Game Preservation Fund (Item 1730-001-200)	-29,000
(o) Amount payable from the Veterans Memorial Fund (Section 1316 of the Military and Veterans Code)	-4,000

Item	Amount
(p) Amount payable from the State Children's Trust Fund (Item 1730-001-803)	-25,000
(q) Amount payable from the California Alzheimer's Disease and Related Disorders Research Fund (Item 1730-001-823)	-33,000
(r) Amount payable from the California Seniors Special Fund (Item 1730-001-886)	-4,000
(s) Amount payable from the California Election Campaign Fund (Item 1730-001-905)	-18,000
(t) Amount payable from the California Breast Cancer Research Fund (Item 1730-001-945)	-5,000
(u) Amount payable from the Public Schools Library Protection Fund (Item 1730-001-975)	-6,000
(v) Amount payable from the Firefighters' Memorial Fund (Item 1730-001-979)	-6,000
(w) Amount payable from the California Seniors Fund (Item 1730-001-983)	-20,000

Provisions:

1. It is the intent of the Legislature that the Franchise Tax Board resolve tax controversies, without litigation, on a basis that is fair to both the state and the taxpayer and in a manner that will enhance voluntary compliance and public confidence in the integrity and efficiency of the board.
2. In accordance with subdivision (b) of Section 18937 of the Revenue and Taxation Code, during the 1994-95 fiscal year, the collection cost recovery fee shall be one hundred three dollars (\$103) and the filing enforcement cost recovery fee shall be one hundred fourteen dollars (\$114).
3. In accordance with subdivision (b) of Section 26313 of the Revenue and Taxation Code, during the 1994-95 fiscal year, the collection cost recovery fee shall be one hundred eighty-three dollars (\$183) and the filing enforcement cost recovery fee shall be one hundred nineteen dollars (\$119).

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4. Notwithstanding Section 11003 of the Revenue and Taxation Code, funding is appropriated under this item to the Franchise Tax Board from Vehicle License Fee (VLF) collections for the 1994-95 fiscal year to fund the board's enforcement of Part 5 (commencing with Section 10701) of Division 2 of the Revenue and Taxation Code.	
6. It is the intent of the Legislature that the State Board of Equalization, the Franchise Tax Board, and the Employment Development Department shall develop an Integration Master Plan for integrating tax information systems. This plan shall include, at a minimum, all of the following: <ul style="list-style-type: none"><li data-bbox="246 621 832 743">(a) An identification of common functions, operations, or processes, and a vision of what integrated revenue operations should do for the state and for taxpayers.<li data-bbox="246 743 832 916">(b) A description of how the three revenue agencies can work cooperatively together to create an overall revenue system that will increase tax compliance, reduce the reporting burden on taxpayers, and provide greater taxpayer convenience.<li data-bbox="246 916 832 1003">(c) A strategic plan that addresses how and when current proposed systems should be integrated.<li data-bbox="246 1003 832 1124">(d) Protocols to ensure that telecommunications and data processing systems developed after the plan is adopted contribute to the achievement of the joint vision.<li data-bbox="246 1124 832 1298">(e) Standards, structures, and processes to ensure that the ability to exchange information between systems is a feature of any automated systems developed after the plan is adopted and that data can be shared in a way that helps to implement the plan.<li data-bbox="246 1298 832 1420">(f) The certification by each department, upon preparing feasibility study reports, that the proposed project is consistent with the master plan.<li data-bbox="246 1420 832 1529">(g) The assurance by the Department of Finance that each proposal by a tax agency to modify an existing information system or develop a new system is consistent with the	

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strategic plan prior to approval of the feasibility study report for each project.

The master plan shall be submitted to the Department of Finance for review and approval. The Department of Finance shall transmit the approved master plan to the Joint Legislative Budget Committee, the fiscal committees, and the revenue committees of the Legislature for review and comment at least 30 days prior to approval.

- 7. Of the funds appropriated by this item, the Franchise Tax Board shall allocate sufficient resources to initiate a strategic planning effort to consolidate the state's tax administration activities, which shall be jointly conducted by the State Board of Equalization and the Franchise Tax Board. Up to \$150,000 of those funds may be expended to pay the Franchise Tax Board's share of costs for consulting services needed in connection with the strategic planning effort. It is the intent of the Legislature that the jointly conducted strategic planning efforts produce a plan to facilitate orderly consolidation of the state's tax administration activities, including the identification of how critical issues such as the consolidation of computer systems, telecommunications, and office space will be resolved, and the identification of other critical issues that may need to be resolved through legislation. The State Board of Equalization and the Franchise Tax Board shall provide a progress report regarding the strategic planning effort to the Joint Legislative Budget Committee and the fiscal committees of each house no later than April 1, 1995. This provision shall be operative only upon the enactment of legislation authorizing the consolidation of the state's tax administration activities.

1730-001-042—For support of Franchise Tax Board, for payment to Item 1730-001-001, payable from the State Highway Account, State Transportation Fund.....	21,000
1730-001-044—For support of Franchise Tax Board, for payment to Item 1730-001-001, payable from the Motor Vehicle Account, State Transportation Fund.....	2,720,000

Item	Amount
1730-001-064—For support of Franchise Tax Board, for payment to Item 1730-001-001, payable from the Motor Vehicle Licensee Fee Account, Transportation Tax Fund.....	5,123,000
1730-001-200—For support of Franchise Tax Board, for payment to Item 1730-001-001, payable from the Rare Fish, Wildlife, and Plant Species Conservation and Enhancement Account, Fish and Game Preservation Fund.....	29,000
1730-001-803—For support of Franchise Tax Board, for payment to Item 1730-001-001, payable from the State Children’s Trust Fund	25,000
1730-001-823—For support of Franchise Tax Board, for payment to Item 1730-001-001, payable from the California Alzheimer’s Disease and Related Disorders Research Fund.....	33,000
1730-001-886—For support of Franchise Tax Board, for payment to Item 1730-001-001, payable from the California Seniors Special Fund	4,000
1730-001-905—For support of Franchise Tax Board, for payment to Item 1730-001-001, payable from the California Election Campaign Fund	18,000
1730-001-945—For support of Franchise Tax Board, for payment to Item 1730-001-001, payable from the California Breast Cancer Research Fund.....	5,000
1730-001-975—For support of Franchise Tax Board, for payment to Item 1730-001-001, payable from the Public Schools Library Protection Fund.....	6,000
1730-001-979—For support of Franchise Tax Board, for payment to Item 1730-001-001, payable from the Firefighters’ Memorial Fund	6,000
1730-001-983—For support of Franchise Tax Board, for payment to Item 1730-001-001, payable from the California Seniors Fund	20,000
1730-301-001—For capital outlay, Franchise Tax Board, payable from General Fund	1,244,000
Schedule:	
(1) 90.01.010-Convert File Storage Space to Office Space—Preliminary plans, working drawings, and construction	646,000
(2) 90.01.020-Convert Additional File Storage Space to Office Space—Preliminary plans, working drawings, and construction ...	598,000
1760-001-001—For support of the Department of General Services, for payment to Item 1760-001-666 ...	6,467,000

Item	Amount
Provisions:	
1. In addition to the funds available in this item, any amounts received from the sale of the Governor's Budget and related publications funded from this item are available for expenditure.	
1760-001-002—For support of the Department of General Services, for payment to Item 1760-001-666, payable from the Property Acquisition Law Account, General Fund	1,140,000
1760-001-003—For support of Department of General Services, for payment to Item 1760-001-666, payable from Motor Vehicle Parking Facilities Moneys Account, General Fund	4,559,000
1760-001-006—For support of Department of General Services, for payment to Item 1760-001-666, payable from the Access for Handicapped Account, General Fund	1,091,000
1760-001-022—For support of Department of General Services, for payment to Item 1760-001-666, payable from State Emergency Telephone Number Account, General Fund	1,030,000
1760-001-026—For support of Department of General Services, for payment to Item 1760-001-666, payable from the State Motor Vehicle Insurance Account, General Fund	3,590,000
Provisions:	
1. Notwithstanding any other provision of law, funds available for the payment of claims are continuously appropriated without regard to fiscal year.	
1760-001-344—For support of Department of General Services, for payment to Item 1760-001-666, payable from the State School Building Lease-Purchase Fund	11,255,000
Provisions:	
1. Notwithstanding the provisions of Item 9840-001-494, the Director of Finance may authorize the creation of deficiencies pursuant to Section 11006 of the Government Code for the purposes of this item.	
1760-001-397—For support of Department of General Services, for payment to Item 1760-001-666, payable from the California State Police Fund	110,000
1760-001-465—For support of Department of General Services, for payment to Item 1760-001-666, payable from the Energy Resources Programs Account, General Fund	1,235,000

Item	Amount
1760-001-602—For support of Department of General Services, for payment to Item 1760-001-666, payable from the Architecture Revolving Fund.....	17,684,000
1760-001-666—For support of Department of General Services, payable from the Service Revolving Fund.....	367,074,000
Schedule:	
(a) Program support.....	502,393,000
(b) Distributed services.....	-74,594,000
(bx) Unallocated reduction—exempt positions.....	-640,000
(c) Amount payable from the General Fund (Item 1760-001-001)	-6,467,000
(d) Amount payable from the General Fund (Item 1760-011-001)	-4,769,000
(e) Amount payable from the Property Acquisition Law Account, General Fund (Item 1760-001-002)	-1,281,000
(f) Amount payable from the Motor Vehicle Parking Facilities Moneys Account, General Fund (Item 1760-001-003)	-4,559,000
(g) Amount payable from the Access for Handicapped Account, General Fund (Item 1760-001-006)	-1,091,000
(h) Amount payable from the State Emergency Telephone Number Account, General Fund (Item 1760-001-022)	-1,030,000
(i) Amount payable from the State Motor Vehicle Insurance Account, General Fund (Item 1760-001-026)	-3,590,000
(j) Amount payable from the State School Building Lease-Purchase Fund (Item 1760-001-344)	-11,255,000
(k) Amount payable from the California State Police Fund (Item 1760-001-397)	-110,000
(m) Amount payable from the Energy Resources Programs Account, General Fund (Item 1760-001-465)	-1,235,000
(n) Amount payable from the Architecture Revolving Fund (Item 1760-001-602)	-17,684,000

Item	Amount
(o) Amount payable from the State School Building Aid Fund (Item 1760-001-739)	-860,000
(p) Amount payable from the Earthquake Safety and Public Buildings Rehabilitation Bond Fund of 1990 (Item 1760-001-768)	-377,000
(q) Amount payable from the State School Deferred Maintenance Fund (Item 1760-001-961)	-128,000
(r) Amount payable from the Architecture Revolving Fund (Item 1760-011-602)	-4,647,000
(s) Amount payable from the State Child Care Capital Outlay Fund (Item 1760-001-863)	-30,000
(t) Amount payable from the Earthquake Safety Public Buildings Rehabilitation Fund of 1990 (Chapter 1079, Statutes of 1992)	-101,000

Provisions:

1. Notwithstanding the provisions of Item 9840-001-988, Item 9840-001-494 and Section 27.00 of this act, the Director of General Services may augment this item and Items 1760-001-002, 1760-001-003, 1760-001-006, 1760-001-026, 1760-001-602, and 1760-011-602 by up to an aggregate of 10% in cases where the Legislature has approved funds for a client department for services or the purchase of equipment by the Department of General Services and the corresponding expenditure authority has not been provided in this item. In the event the Director of General Services augments this item or Item 1760-001-002, 1760-001-003, 1760-001-006, 1760-001-026, 1760-001-602, or 1760-011-602, the Department of General Services shall notify the Department of Finance within 15 days after that augmentation is made as to the amount, justification, and the program that has been augmented. Any augmentation made in accordance with this provision shall not result in an increase in any rate charged to other departments for services or the purchase of goods without prior written approval by the Department of Finance. The Department of General Services shall not use this authority to increase the number of positions in

Item	Amount
the Division of the State Architect, Office of Design Services, for architectural or engineering services.	
2. Notwithstanding the provisions of Item 9840-001-988, item 9840-001-494 and Section 27 of this act, if this item or Item 1760-001-002, 1760-001-003, 1760-001-006, 1760-001-026, 1760-001-602, or 1760-011-602, is augmented pursuant to Provision 1 by the maximum allowed under that provision, the Director of Finance may further augment these items in cases where the Legislature has approved funds for a client department for services or the purchase of equipment by the Department of General Services and the corresponding expenditure authority has not been provided in these items. The Department of General Services shall not use this authority to increase the number of positions in the Division of the State Architect, Office of Design Services, for architectural or engineering services.	
3. Notwithstanding Section 16422 of the Government Code, the balance of any rental receipts paid into the Building Rental Account of the Service Revolving Fund as of June 30, 1994, after accounting for all receipts and the 1993-94 fiscal year costs of maintaining, operating, and insuring buildings included within the account, shall be reported to the Joint Legislative Budget Committee no later than September 30, 1994, and shall be used to complete high priority projects as identified in the department's "Maintenance and Deferred Maintenance Plan" of December 1993. Notwithstanding Section 16422 of the Government Code, the balance of any rental receipts paid into the Building Rental Account of the Service Revolving Fund as of June 30, 1995, after accounting for all receipts and the 1994-95 fiscal year costs of maintaining, operating, and insuring buildings included within the account, shall be reported to the Joint Legislative Budget Committee no later than September 30, 1995, and shall be used to complete high priority projects as identified in the department's "Maintenance and Deferred Maintenance Plan" of December 1993.	
4. The Department of General Services is authorized to collect rent from the tenants of the	

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buildings at 1020 N Street and 1021 O Street in Sacramento. These rents shall be deposited in the Building Rental Account and shall be available for maintenance and operation of the buildings by the Office of Buildings and Grounds.	
5. Notwithstanding any other provisions of law, revenues from the sale of legislative bills and publications received by the bill room shall be deposited in the Service Revolving Fund.	
6. Notwithstanding any other provision of law, if the Director of the Department of General Services determines in writing that there is insufficient cash in a special fund under his authority to make one or more payments currently due and payable, he or she may order the transfer of moneys to that special fund in the amount necessary to make the payment or payments, as a loan from the Service Revolving Fund. That loan shall be subject to all of the following conditions:	
(a) No loan shall be made that would interfere with the carrying out of the object for which the Service Revolving Fund was created.	
(b) The loan shall be repaid as soon as there is sufficient money in the recipient fund to repay the amount loaned, but no later than 18 months after the date of the loan. The amount loaned shall not exceed the amount that the fund or program is authorized at the time of the loan to expend during the 1994-95 fiscal year from the recipient fund except as otherwise provided in Provisions 1 and 2 of this item.	
(c) The terms and conditions of the loan are approved, prior to the transfer of funds, by the Department of Finance pursuant to appropriate fiscal standards.	
7. Any augmentation made pursuant to Provisions 1 and 2 of this item shall be reported in writing to the chairpersons of the fiscal committees of each house and the Chairperson of the Joint Legislative Budget Committee within 30 days after the date the augmentation is approved. This notification shall identify the amount of, and justification for, the augmentation, and the program that has been augmented.	

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8. Notwithstanding any other provision of law, by December 31, 1994, the Director of General Services shall lease the 4,700-square-foot, fire-damaged structure known as Residence #3, located at 510 Magnolia Street, Stockton, San Joaquin County, to the San Joaquin County Child Abuse Prevention Council for the sum of \$1 per year for a period of 30 years.	
9. Public notification of any Department of General Services request for proposal or other invitation to bid on a contract having mandatory bidding requirements shall be published in the first issue of the State Contracts Register following completion of that request for proposal or other invitation to bid, and shall identify all mandatory bidding requirements relating to that contract.	
10. If the Department of General Services contracts for maintenance and janitorial services for the Capitol Square Building, 28.5 personnel years associated with this work immediately shall be eliminated. If the department contracts for maintenance and janitorial services for the State Library Annex Building, 7.2 personnel years associated with this work immediately shall be eliminated. If the department contracts for maintenance and janitorial services for the Secretary of State/State Archives Building, 12.3 personnel years associated with this work immediately shall be eliminated. The amounts appropriated for janitorial and maintenance services for these three buildings shall be reduced by the amount of savings realized if the department contracts for these services.	
11. Notwithstanding Section 10115.5 of the Public Contract Code, the Department of General Services shall compile an annual report, to be submitted to the Governor and the Legislature, on minority, women, and disabled veteran business enterprise participation in state contracting for all state departments, boards, and commissions that are subject to Section 10115.5 of the Public Contract Code. Each such agency shall submit annually to the Department of General Services statistical data on the participation of minority, women, and disabled veteran business enterprises in the contracting	

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- of that agency. The reporting period shall be by fiscal year, from July 1 to June 30, inclusive. Each such agency shall report to the Department of General Services in a format and within a time period prescribed by the Director of the Department of General Services so that the department may report to the Governor and the Legislature by March 1 of each year. The Department of General Services shall compile the information it receives and transmit a report to the Governor and Legislature for those agencies submitting data to the Department of General Services by the prescribed date. The report shall contain only statistical data for those agencies that submitted data as required. The report also shall indicate which agencies did not submit participation data as required.
12. Of funds appropriated in this item or from other sources, the department's base level of special repair expenditures for the 1994-95 fiscal year shall be \$2.2 million.
 13. During the 1994-95 fiscal year, and with respect to the participation by the Department of General Services in the performance budgeting pilot program administered by the Department of Finance, the Director of General Services shall ensure that the Department of General Services adheres to the following schedule relating to the submittal of performance measures and related information to the Legislature: (a) by July 31, 1994, draft performance measures that shall be adopted as the performance measures for the 1994-95 fiscal year, and (b) by August 15, 1994, draft baseline data from which performance shall be measured and performance goals for each performance measure, which shall be adopted as the goals for the 1994-95 fiscal year. The Department of General Services shall not adopt the draft performance measures or draft baseline data sooner than 60 days after the date that the drafts are submitted to the Chairperson of the Joint Legislative Budget Committee. The Joint Legislative Budget Committee shall have 60 days to review the draft performance measures and draft baseline data. The Department of

Item	Amount
<p>General Services shall report on actual performance on November 15, 1994, and quarterly thereafter. At the conclusion of the 60-day review period, the department shall be exempted from STD 607 and Form 22 review. The department shall provide this information to the chairpersons of the Joint Legislative Budget Committee, the fiscal committees, and the relevant policy committees, no later than the dates set forth in this provision, unless the director has provided written notification that the department will be unable to meet a deadline, including the reasons therefor.</p>	
15. From funds appropriated in this item, the Office of State Printing shall provide the printing services necessary to the operation of the YMCA Model Legislature.	
16. The Bureau of State Audits shall conduct a management review of the Office of the State Architect to evaluate the degree to which the State Architect provides oversight, coordination and leadership in meeting the state's property management goals, particularly as they pertain to the following: <ol style="list-style-type: none"> 1. compliance with the state Contracts Code requirements for bidding state construction projects; 2. requirements for minority, women, and disabled veteran owned business enterprise participation in state contracts, and; 3. coordination with local government development plans; <p>The bureau shall report its findings and recommendations for statutory and procedural changes necessary to make the State Architect more effective to the Joint Legislative Budget Committee and the appropriate fiscal and policy committees of the Legislature by March 31, 1995.</p> <p>The Department of General Services shall reimburse the Bureau of State Audits for the costs incurred by the bureau in conducting the management review.</p>	
1760-001-739—For support of Department of General Services, for payment to Item 1760-001-666, payable from the State School Building Aid Fund	860,000

Item	Amount
1760-001-768—For support of Department of General Services, for payment to Item 1760-001-666, payable from the Earthquake Safety Public Buildings Rehabilitation Bond Act of 1990	948,000
Provisions:	
1. State building capital outlay projects to be funded from the Earthquake Safety and Public Buildings Rehabilitation Bond Act of 1990 shall provide only for the structural retrofit of seismic deficiencies, including the abatement of falling hazards, and for other building modifications if needed solely to accomplish the structural retrofits. This restriction does not apply to any project previously authorized by the Legislature for funding from that bond act.	
1760-001-863—For support of Department of General Services, for payment to Item 1760-001-666, payable from the State Child Care Capital Outlay Fund.....	30,000
1760-001-961—For support of Department of General Services for payment to Item 1760-001-666, payable from the State School Deferred Maintenance Fund.....	128,000
1760-011-001—For support of the Department of General Services, for payment to Item 1760-001-666 ...	4,769,000
Provisions:	
2. The funds available in this item may also be used for purposes related to the remediation of toxic sites for which the state is responsible, provided that proposals to transfer funds between these programs or for such other purposes shall be submitted in accordance with Section 6.50 of this act. Such proposals shall detail the reasons for the transfer and the impact on the programs for which the transfer is proposed.	
3. Notwithstanding any other provision of law, the funds appropriated in this item shall not be transferred into the Architectural Revolving Fund.	
4. The funds appropriated in this item are payable to the Service Revolving Fund only for the purposes of facilitating Department of General Services accounting and shall be utilized only as specified in this item.	

Item	Amount
1760-011-602—For support of the Department of General Services, for activities other than the Office of State Architect, for payment to Item 1760-001-666, payable from the Architecture Revolving Fund ...	4,647,000
1760-011-666—For augmentation of the Service Revolving Fund, to be transferred by the State Controller in such amounts and at such times as funds are made available. Upon approval of the State Board of Control, the State Controller shall transfer to this item from any appropriation made from the General Fund, or any special fund, by the provisions of this act that part of such appropriation which is intended to be used and is available, for the purchase or replacement of automobiles and reproduction equipment, and provided, any funds in the Service Revolving Fund may be used to purchase equipment from the General Fund or special funds of the state at the depreciated value at the time of purchase payable at the option of the Service Revolving Fund over the remaining depreciation period.	
1760-101-001—For transfer to the State Emergency Telephone Number Account upon written approval of the Department of Finance to provide operating funds for support of the Emergency Telephone Number Program on a monthly basis, as needed, for cash-flow purposes, with all money transferred during 1994-95 to be reverted to the General Fund prior to September 30, 1995.....	(28,921,000)
Provisions:	
1. Notwithstanding Section 16314 of the Government Code, any funds transferred pursuant to this item shall not be subject to the payment of interest charges thereon.	
1760-101-022—For local assistance, Department of General Services, for reimbursement of local agencies and service suppliers or communications equipment companies for costs incurred pursuant to Sections 41137, 41137.1, 41138, and 41140 of the Revenue and Taxation Code, payable from the State Emergency Telephone Number Account, General Fund	64,958,000
1760-101-768—For local assistance, Department of General Services, to provide local government grants from the Earthquake Safety and Public Buildings Rehabilitation Bond Act of 1990 for seismic improvements in essential services buildings.....	45,478,621

Item	Amount
Schedule:	
Alameda:	
(1) SPS3191-Alameda City Hall—Unreinforced masonry bearing walls	2,280,857
Auburn:	
(2) SPS3073-OES Building 7 Seismic Retrofit—Unreinforced masonry bearing walls.....	202,492
Bakersfield:	
(3) SPS3108-Fire Station #2—Reinforced concrete frame with URM infill.....	309,000
Berkeley:	
(4) SPS3156-Fire Station #2—Reinforced masonry walls.....	352,189
(5) SPS3157-Fire Station #5—Reinforced masonry walls.....	183,403
(6) SPS3158-Fire Station #6—Wood, light framing, and stud-bearing walls.....	45,705
(7) SPS3159-Fire Station #4—Other.	53,950
(8) SPS3160-Fire Station #3—Reinforced masonry walls.....	109,361
(9) SPS3161-Fire Station #1—Reinforced masonry walls.....	46,931
(10) SPS3162-Fire Station #7—Wood, light framing, and stud-bearing walls.....	50,294
(11) SPS3163-Hall of Justice—Reinforced concrete shear walls.....	3,200,068
(12) SPS3164-Equipment Maintenance Building at Corp Yard—Other.....	216,865
(13) SPS3165-Facilities Maintenance Building—Unreinforced masonry bearing walls.....	401,292
(14) SPS3166-Martin Luther King Jr. Civic Center—Reinforced concrete shear walls.....	500,000
(15) SPS3193-Fire Department Headquarters—Reinforced masonry walls.....	156,817
Big Bear Lake:	
(16) SPS3088-Headquarters Fire Station—Reinforced concrete shear walls.....	280,160

Item	Amount
(17) SPS3089-Emergency Power Generator Replacement—Reinforced concrete shear walls.....	58,271
(18) SPS3168-Big Bear Lake City Hall— Steel, moment resisting...	187,500
Camarillo:	
(19) SPS3183-Fire Comm. Center—Reinforced masonry walls	62,306
Capitola:	
(20) SPS3019-Capitola—Other	42,410
Chalfant:	
(21) SPS3021-Chalfant Fire Station—Steel, light framing	57,195
Citrus Heights:	
(22) SPS3043-Fire Station #26—Reinforced masonry walls	12,613
(23) SPS3044-Fire Station #27—Reinforced masonry walls	23,753
(24) SPS3046-Fire Station #23—Reinforced masonry walls	34,824
(25) SPS3047-Fire Station #21—Reinforced masonry walls	35,732
Cloverdale:	
(26) SPS3137-Cloverdale Veterans Building Seismic Upgrade—Wood, light framing, and stud-bearing walls.....	80,609
Coalinga:	
(27) SPS3101-Pleasant Valley Fire Station—Other.....	480,683
Coronado:	
(28) SPS3255-Fire Station Headquarters/EOC Seismic Upgrade—Reinforced masonry walls	218,762
Cotati:	
(29) SPS3134-Cotati Veteran's Building Seismic Upgrade—Wood, light framing, and stud-bearing walls.....	8,346
El Cerrito:	
(30) SPS3273-El Cerrito Fire Station #2—Wood, light framing, and stud-bearing walls	93,332
Eureka:	
(31) SPS3190-Eureka City Hall—Reinforced concrete shear walls.....	181,361

Item	Amount
(32) SPS3285-Eureka Municipal Auditorium/Emergency Shelter— Reinforced concrete shear walls.....	94,887
Fillmore:	
(33) SPS3179-Girls Gymnasium— Wood, light framing, and stud-bearing walls.....	265,844
(34) SPS3185-Fire Station #53, 51, 22, 35, 45, 50, 23, 32, 42.....	59,625
Fort Bragg:	
(35) SPS3090-Fort Bragg Police Station Replacement—Other	626,035
(36) SPS3091-Fort Bragg Emergency Operating Center—Nonductile concrete moment frame	96,914
Fountain Valley:	
(37) SPS3176-EOC Police Building Generator—Steel frame with concrete shear walls	75,000
(38) SPS3177-Generator	75,000
(39) SPS3178-City Hall Generator Upgrade—Plywood shear wall	75,000
Galt:	
(40) SPS3006-Galt Fire Department Station #44—Steel-braced frame	556,800
Glendora:	
(41) SPS3245-Glendora City Hall— Unreinforced masonry bearing walls.....	89,056
Guerneville:	
(42) SPS3136-Guerneville Substation/ Veterans Building Seismic Upgrade—Wood, light framing, and stud-bearing walls	62,534
Hayward:	
(43) SPS3033-Highland Reservoir Emergency Generator—Other....	567,000
(44) SPS3034-Hat Tower Generator— Other	79,190
(45) SPS3035-Portable Emergency Generator for Emergency Water Well A—Other	72,750
(46) SPS3036-EOC and Corp Yard Emergency Generators—Other ..	533,250
(47) SPS3075-Fairview Fire Generator Project—Reinforced masonry walls.....	21,375

Item	Amount
(48) SPS3241-Fire Station #1 Rebuild—Reinforced concrete shear walls.....	1,084,750
Hollister:	
(49) SPS3170-Project B-SBC EOC-Comm—Wood, light framing, and stud-bearing walls	93,500
Kenwood:	
(50) SPS3014-Kenwood Fire Station—Unreinforced masonry bearing walls.....	44,853
Kettleman City:	
(51) SPS3015-Kettleman Center—Unreinforced masonry bearing walls	387,525
Lafayette:	
(52) SPS3028-Police Station and EOC—Wood, light framing, and stud-bearing walls	181,638
Lake Arrowhead:	
(53) SPS3196-Lake Arrowhead Fire Station #19—Wood, light framing, and stud-bearing walls.....	373,178
Mill Valley:	
(54) SPS3055-City Hall and Fire Station—Reinforced concrete shear walls.....	304,082
Milpitas:	
(55) SPS3151-Fire Station #1—Wood, light framing, and stud-bearing walls.....	148,110
(56) SPS3152-Fire Station #2—Wood, light framing, and stud-bearing walls.....	144,624
(57) SPS3153-Fire Station #3—Wood, light framing, and stud-bearing walls.....	144,624
Monterey:	
(59) SPS3070-Colton Hall—Unreinforced masonry bearing walls.....	142,875
North Highlands:	
(60) SPS3041-Fire Station #42—Wood, light framing and stud-bearing walls.....	25,127
(61) SPS3042-Fire Station #41—Reinforced masonry walls	10,694

Item	Amount
Occidental:	
(62) SPS3135-Occidental Community Center Seismic Upgrade—Wood, light framing, and stud-bearing walls.....	33,787
Petaluma:	
(63) SPS3138-Petaluma Veterans Building Seismic Upgrade—Reinforced concrete tilt-up	52,500
Pismo Beach:	
(64) SPS3071-Communications Center/City Hall—Unreinforced masonry bearing walls	768,822
(65) SPS3072-Fire Station #1—Reinforced masonry walls	1,725
Rancho Cordova:	
(66) SPS3039-Fire Station #63—Wood, heavy framing; commercial and industrial	42,844
(67) SPS3040-Fire Station #61—Reinforced masonry walls	37,909
Redwood City:	
(68) SPS3011-Old Courthouse-Seismic Strengthening—Unreinforced masonry bearing walls.....	2,121,750
Richmond:	
(69) SPS3116-City Hall—Reinforced concrete shear walls.....	1,149,975
(70) SPS3117-Hall of Justice—Reinforced concrete shear walls.....	1,183,613
Rodeo:	
(71) SPS3284-Retrofit Rodeo Fire Station—Unreinforced masonry bearing walls.....	393,802
Sacramento:	
(72) SPS3045-Fire Station #24—Reinforced masonry walls	14,163
(73) SPS3140-Electrical Vault Building—Reinforced concrete tilt-up.	35,074
(74) SPS3141-Fire/Crash Building—Reinforced concrete tilt-up	147,579
(75) SPS3142-Fire Station #5—Reinforced masonry walls	457,200
(76) SPS3143-Fire Station Emergency Generator Project A.....	20,806
(77) SPS3144-Fire Station Emergency Generator Project B.....	20,806

Item	Amount
(78) SPS3145-Fire Station Emergency Generator Project C	20,806
(79) SPS3146-Fire Station Emergency Generator Project D	17,340
(80) SPS3147-Juvenile Hall-Install Emergency Generator—Steel, light framing	392,118
(81) SPS3251-Emergency Generator/UPS Upgrade	23,148
Salinas:	
(82) SPS3248-Emergency Power Generator—Unreinforced masonry bearing walls	12,137
(83) SPS3289-Emergency Power Generator—Unreinforced masonry bearing walls	14,121
(84) SPS3290-Emergency Power Generator—Wood, light framing, and stud-bearing walls	9,334
San Bruno:	
(85) SPS3133-Women's Jail #3—Reinforced concrete shear walls	839,728
San Carlos:	
(86) SPS3000-Fire Station—Steel, moment resisting	153,807
San Diego:	
(87) SPS3050-Fire Station #11—Other	571,809
(88) SPS3069-San Diego County EOC/Comm. Center—Other	326,700
San Fernando:	
(89) SPS3242-Emergency Communications Center—Reinforced masonry walls	192,016
San Francisco:	
(90) SPS3120-SFFD Central Fire Alarm Station—Reinforced concrete shear walls	444,239
(91) SPS3122-SFFD Station #41—Reinforced concrete shear walls	545,994
(92) SPS3124-SFFD Station #36—Reinforced concrete shear walls	519,704
(93) SPS3126-SFFD Station #34—Steel frame with URM infill	819,726
(94) SPS3127-SFFD Station #18—Reinforced concrete shear walls	1,311,120

Item	Amount
San Leandro:	
(95) SPS3060-City Hall—Reinforced concrete shear walls.....	892,105
(96) SPS3081-Fire Station #5—Wood, light framing, and stud-bearing walls.....	117,122
(97) SPS3082-Public Safety Building—Reinforced concrete shear walls.....	263,105
(98) SPS3083-Fire Station #2—Unreinforced masonry bearing walls...	125,222
(99) SPS3084-Fire Station #3—Reinforced masonry walls	128,489
(100) SPS3085-Fire Station #1—Plywood shear wall	53,109
(101) SPS3086-Fire Station #4—Wood, light framing, and stud-bearing walls.....	106,227
San Luis Obispo:	
(102) SPS3029-SLOFD Fire Station—Unreinforced masonry bearing walls.....	610,998
(103) SPS3031-Government Center Renovate Unreinforced Structure—Reinforced concrete frame with URM infill.....	500,000
San Marino:	
(104) SPS3078-San Marino Fire Station—Unreinforced masonry bearing walls.....	300,422
Santa Ana:	
(105) SPS3048-Orange County Central Courthouse and Comm. Hub—Steel, moment resisting	1,682,340
Santa Cruz:	
(106) SPS3018-Live Oak Station—Reinforced masonry walls	101,019
Sebastopol:	
(107) SPS3139-Sebastopol Veterans Building Seismic Upgrade—Steel-braced frame.....	63,450
Sonoma:	
(108) SPS3175-Schell-Vista Fire Station—Steel, light framing	1,700,672

Item	Amount
Torrance:	
(109) SPS3292-Harbor-UCLA Medical Center—Reinforced concrete shear walls	9,032,007
Union City:	
(110) SPS3005-Decoto Fire Station—Reinforced masonry walls	49,670
Vacaville:	
(111) SPS3167-Vacaville Fire Station # 1/Emergency Comm. Center—Other	330,657
Ventura	
(112) SPS3076-Fire Station #2—Reinforced masonry walls	96,875
(113) SPS3181-EOC Main	102,446
(114) SPS3182-EOC Comm. Link—Reinforced Concrete tilt-up.....	123,563
1760-301-001—For capital outlay, Department of General Services	3,375,000
Schedule:	
(1) 50.10.130-State Capitol: Correction of Fire and Life Safety Code Deficiencies—Preliminary plans, working drawings, and construction	2,075,000
(2) 50.10.140-Preliminary plans, working drawings, construction, and equipment for State Capitol Child Care Center	1,300,000
Provisions:	
1. The funds appropriated in Schedule (1) shall be for expenditure for fire and safety upgrades for the State Capitol building. These upgrades shall include replacing smoke detectors and devices in office spaces; adding visual alarms as required by the federal Americans with Disabilities Act (ADA); expanding the voice evacuation speaker system (EVAC); installing wiring in a conduit system; adding illuminated exit signs; installing a fire sprinkler system; and modifying the fire panel.	
1760-301-660—For capital outlay, Department of General Services, payable from the Public Buildings Construction Fund.....	61,230,500

Item	Amount
Schedule:	
(1) 50.10.120-Sacramento Department of Justice Building—Acquisition.....	61,230,500
Provisions:	
1. The funds appropriated in this item shall be available for the purchase by the Department of General Services of the state office facility that is to be leased by the department pursuant to Section 14669.65 of the Government Code for the Department of Justice and other state entities. The Director of General Services may exercise the option to purchase that state office facility, and may expend the funds appropriated in this item for that purpose, only upon his or her finding that the facility and the site conform to the criteria set forth in Resolution Chapter 131 of the Statutes of 1991. Notwithstanding Section 13332.11 of the Government Code, no augmentation shall be allowed for this acquisition.	
2. The State Public Works Board may issue revenue bonds, negotiable notes, or negotiable bond anticipation notes pursuant to Chapter 5 (commencing with Section 15830) of Part 10b of Division 3 of Title 2 of the Government Code in the total amount necessary for the acquisition described in Provision 1, to pay financing costs, and to provide a reasonable reserve fund if required by the State Treasurer.	
1760-490—Reappropriation, Department of General Services. The balance of the appropriation provided in Chapter 984, Statutes of 1989, Section 1, is reappropriated for the purpose of completing the construction of the Secretary of State/Archives Complex and Parking Garage on Site 7, and shall be available for encumbrance and expenditure through June 30, 1997.	
1880-001-001—For support of State Personnel Board ...	6,937,000
Schedule:	
(a) 10-Merit System Administration...	11,565,000
(b) 40-Local Government Services	1,223,000
(c) 50.01-Administrative Services.....	6,038,000
(d) 50.02-Distributed Administrative Services.....	-3,223,000
(e) Reimbursements.....	-8,666,000

Item	Amount
Provisions:	
1. Notwithstanding any other provision of law, the State Personnel Board may bill, and departments shall pay, up to \$1,560,000 of the board's costs for one year to provide appeals processing services to address the caseload backlog in the 1994-95 fiscal year, and up to \$653,000 beginning in the 1994-95 fiscal year to address the ongoing caseload in the Hearing Office, for a total of \$2,213,000. The billings shall be based on the proportion of appeals filed by employees in the affected departments for the prior three fiscal years. The timing and manner of these payments shall be determined by the board, to be consistent with the needs of the Hearing Office.	
2. Notwithstanding any other provision of law, the State Personnel Board may bill, and departments shall pay, up to \$15,000 for reimbursement of the costs incurred by the board for the production of the annual affirmative action and employee census report to be provided to the Legislature during the 1994-95 fiscal year. The Department of Finance shall determine an appropriate method for billing departments for this purpose.	
1900-001-950—For support of Board of Administration of the Public Employees' Retirement System, payable from the Public Employees' Contingency Reserve Fund	9,160,640
Provisions:	
1. The appropriation made by this item is for support of the Board of Administration pursuant to Section 22840 of the Government Code.	
1900-003-830—For support of the Board of Administration of the Public Employees' Retirement System, payable from the Public Employees' Retirement Fund.....	(77,446,000)
Provisions:	
1. The amount displayed in this item is based on the estimate by the Public Employees' Retirement System of expenditures for external investment advisors to be made during the 1994-95 fiscal year pursuant to Section 20216.5 of the Government Code. The Board of Administration of the Public Employees' Retirement System shall report to the fiscal committees of the Legislature and the Joint Legislative Budget	

Item

Amount

Committee on or before January 10, 1995, regarding any revision of this estimate, including an accounting and explanation of changes, and the amount of and basis for investment advisor expenditures proposed for the 1995-96 fiscal year. The Board of Administration of the Public Employees' Retirement System shall report on or before January 10, 1996, on the final expenditures under this item, including an accounting and explanation of changes from estimates previously reported to the Legislature.

2. Each of the two reports described in Provision 1 also shall include all of the following:

(a) A statement of expected returns on investments managed or advised by outside advisors, compared to costs and expected returns if in-house advisors were to be used.

(b) A description of the actions the Public Employees' Retirement System will take to ensure that any future expenditures for outside advisors will result in a greater return on investments, including costs for these advisors, than if in-house advisors were used.

(c) Separate listings of advisor contracts in effect, and approved, during the 1993-94 and 1994-95 fiscal years, with (1) amounts (total contract and annual basis) for each contract for base fees and performance-based fees, (2) summary statements of the purposes of each contract, and (3) notation as to whether contracted advisors qualify as minority-owned or women-owned enterprises for purposes of the minority/women business enterprise participation goals.

(d) A report on the Public Employees' Retirement System's investment in, or related to, South Africa and sub-Saharan Africa, including a report on planned investments and future investment strategy with regard to South Africa and sub-Saharan Africa.

1900-005-001—For transfer by the Controller to the Public Employees' Retirement Fund from other unallocated funds in the General Funds.....(445,000,000)

Provisions:

1. The amount in this item reflects the estimated General Fund share of the state's contribution

Item	Amount
required by Section 20751 of the Government Code.	
2. Pursuant to Section 20131.01 of the Government Code, funds remaining in the Investment Dividend Disbursement Account and Extraordinary Performance Dividend Account shall be used to reduce state General Fund employer retirement contributions to the Public Employees' Retirement Fund.	
1900-005-494—For transfer by the Controller to the Public Employees' Retirement Fund from other unallocated special funds	(229,000,000)
Provisions:	
1. The amount in this item is for transfer for the special fund share of the state's contribution required by Section 20752 of the Government Code.	
1900-005-988—For transfer by the Controller to the Public Employees' Retirement Fund from other unallocated nongovernmental cost funds	(206,000,000)
Provisions:	
1. The amount in this item is for transfer for the nongovernmental cost fund share of the state's contribution required by Section 20752 of the Government Code.	
1900-015-815—For support of Board of Administration of the Public Employees' Retirement System, payable from the Judges' Retirement Fund	(296,000)
Provisions:	
1. Notwithstanding any other provision of law, the Board of Administration of the Public Employees' Retirement System (PERS), in accordance with all applicable provisions of the California Constitution, shall submit to the Controller, the Department of Finance, the Joint Legislative Budget Committee, and the fiscal committees of the Legislature, all of the following:	
(a) No later than January 10, 1995, a copy of the proposed budget for PERS for the 1995-96 fiscal year as included with the Governor's Budget.	
(b) No later than May 15, 1995, a copy of the proposed budget for PERS for the 1995-96 fiscal year as approved by the Board of Administration.	
(c) The revisions to the proposed budget for PERS for the 1994-95 fiscal year, as recom-	

Item	Amount
<p>mended by the PERS Finance Committee, at least 30 days prior to the consideration of those revisions by the Board of Administration.</p> <p>(d) Commencing October 1, 1994, all expenditure and performance workload data provided to the Board of Administration, as updated on a quarterly basis. This quarterly update information is to be submitted to the Joint Legislative Budget Committee and the fiscal committees of the Legislature, and shall be in sufficient detail to be useful for legislative oversight purposes and to sustain a thorough ongoing review of PERS expenditures.</p>	
<p>1900-015-820—For support of Board of Administration of the Public Employees' Retirement System, payable from the Legislators' Retirement Fund.....</p> <p>Provisions:</p> <p>1. Notwithstanding any law, the Board of Administration of the Public Employees' Retirement System, in accordance with all applicable provisions of the California Constitution, shall submit to the Controller, the Department of Finance, the Joint Legislative Budget Committee, and the fiscal committees of the Legislature all of the following:</p> <p>(a) A copy of the proposed budget for the Public Employees' Retirement System for the 1995-96 fiscal year by January 10, 1995, as included with the Governor's Budget.</p> <p>(b) A copy of the proposed budget for the Public Employees' Retirement System for the 1995-96 fiscal year as approved by the Board of Administration by May 15, 1995.</p> <p>(c) The revisions to the proposed budget for the Public Employees' Retirement System for the 1994-95 fiscal year as recommended by the Public Employees' Retirement System Finance Committee at least 30 days prior to consideration of those revisions by the Board of Administration.</p> <p>(d) Commencing October 1, 1994, all expenditure and performance workload data provided to the Board of Administration, updated on a quarterly basis, shall be submitted to the Joint Legislative Budget</p>	<p>(191,000)</p>

Item	Amount
<p>Committee and the fiscal committees of the Legislature. The quarterly update information submitted to the Legislature shall be in sufficient detail to be useful for legislative oversight purposes and to sustain a thorough ongoing review of the expenditures of the Public Employees' Retirement System.</p> <p>1900-015-830—For support of Board of Administration of the Public Employees' Retirement System, payable from the Public Employees' Retirement Fund</p>	(68,657,000)
Provisions:	
<p>1. Notwithstanding any other provision of law, the Board of Administration of the Public Employees' Retirement System, in accordance with all applicable provisions of the California Constitution, shall submit to the Controller, the Department of Finance, the Joint Legislative Budget Committee, and the fiscal committees of the Legislature, all of the following:</p> <ul style="list-style-type: none"> (a) A copy of the proposed budget for the Public Employees' Retirement System for the 1995-96 fiscal year by January 10, 1995, as included with the Governor's Budget. (b) A copy of the proposed budget for the Public Employees' Retirement System for the 1995-96 fiscal year as approved by the Board of Administration by May 15, 1995. (c) The revisions to the proposed budget for the Public Employees' Retirement System for the 1994-95 fiscal year as recommended by the Public Employees' Retirement System Finance Committee at least 30 days prior to consideration of those revisions by the Board of Administration. (d) Commencing October 1, 1994, all expenditure and performance workload data provided to the Board of Administration, updated on a quarterly basis, shall be submitted to the Joint Legislative Budget Committee and the fiscal committees of the Legislature. The quarterly update information submitted to the Legislature shall be in sufficient detail to be useful for legislative oversight purposes and to sustain a thorough ongoing review of the expenditures of the Public Employees' Retirement System. 	

Item	Amount
1900-015-962—For support of Board of Administration of the Public Employees’ Retirement System, payable from the Volunteer Firefighters’ Length of Service Award System Fund	(76,000)
Provisions:	
1. Notwithstanding any other provision of law, the Board of Administration of the Public Employees’ Retirement System, in accordance with all applicable provisions of the California Constitution, shall submit to the Controller, the Department of Finance, the Joint Legislative Budget Committee, and the fiscal committees of the Legislature, all of the following:	
(a) A copy of the proposed budget for the Public Employees’ Retirement System for the 1995–96 fiscal year by January 10, 1995, as included with the Governor’s Budget.	
(b) A copy of the proposed budget for the Public Employees’ Retirement System for the 1995–96 fiscal year as approved by the Board of Administration by May 15, 1995.	
(c) The revisions to the proposed budget for the Public Employees’ Retirement System for the 1994–95 fiscal year recommended by the Public Employees’ Retirement System Finance Committee, at least 30 days prior to consideration of those revisions by the Board of Administration.	
(d) Commencing October 1, 1994, all expenditure and performance workload data provided to the Board of Administration, updated on a quarterly basis, shall be submitted to the Joint Legislative Budget Committee and the fiscal committees of the Legislature. The quarterly update information submitted to the Legislature shall be in sufficient detail to be useful for legislative oversight purposes and to sustain a thorough ongoing review of the expenditures of the Public Employees’ Retirement System.	
1920-001-835—For support of State Teachers’ Retirement System, payable from the State Teachers’ Retirement Fund.....	34,370,000
Schedule:	
(bx) 500001-Support.....	34,762,000
(c) Reimbursements.....	–252,000

Item	Amount
(d) Amount payable from the Teacher Tax Sheltered Annuity Fund (Item 1920-001-963)	-66,000
(e) Amount payable from the Supplemental Benefit Maintenance Account in the Teachers' Retirement Fund pursuant to Section 22954 of the Education Code	-74,000
Provisions:	
1. This item shall not be subject to the requirements of subdivision (b), (c), (d), or (e) of Section 31.00 of this act. Nothing in this provision shall be construed as exempting this item from requirements of the State Civil Service Act or from requirements of laws, rules, and regulations administered by the Department of Personnel Administration.	
1920-001-963—For support of State Teachers' Retirement System, for payment to Item 1920-001-835, payable from the Teacher Tax Sheltered Annuity Fund.....	66,000
Provisions:	
1. The funds appropriated by this item are for costs incurred in operating the tax-sheltered annuity program pursuant to Section 22331 of the Education Code.	
1920-002-835—For external investment advisors, payable from the State Teachers' Retirement Fund ..	(52,600,000)
Provisions:	
1. The amount displayed in this item is for informational purposes only, and is based on the current estimate by the State Teachers' Retirement System (STRS) of expenditures for external advisors to be made during the 1993-94 fiscal year pursuant to Section 22353 of the Education Code. The STRS shall report to the fiscal committees of the Legislature and the Joint Legislative Budget Committee no later than January 10, 1995, regarding any changes in this estimate, including an accounting and explanation of the changes, and regarding the amount of, and basis for, investment advisor expenditures proposed for the 1995-96 fiscal year. The STRS shall report to those entities no later than January 10, 1996, on the final expenditures subject to this item, including an accounting and explanation of	

Item	Amount
changes from estimates previously reported to the Legislature.	
2. Each of the two reports described in Provision 1 also shall include all of the following:	
(a) A statement of expected returns on investments managed or advised by outside advisors, compared to costs and expected returns if in-house advisors were to be used.	
(b) A description of the actions the State Teachers' Retirement System will take to ensure that any future expenditures for outside advisors will result in a greater return on investments (including costs for these advisors) than if in-house advisors were used.	
(c) Separate listings of advisor contracts in effect, and approved, during the 1993-94 and 1994-95 fiscal years, with (1) amounts (total contract and annual basis) for each contract for base fees and performance-based fees, (2) summary statements of the purposes of each contract, and (3) notation as to whether contracted advisors qualify as minority-owned or women-owned enterprises for purposes of the minority/women business enterprise participation goals.	
(d) A report on the State Teachers' Retirement System's investment in, or related to, South Africa and sub-Saharan Africa, including a report on planned investments and future investment strategy with regard to South Africa and sub-Saharan Africa.	
1920-011-001—For transfer by the Controller to the Teacher's Retirement Fund from the General Fund.....	(818,337,000)
Schedule:	
(a) 10-Elder Full Funding	(517,944,000)
(b) 20-Supplemental Benefit Maintenance Account	(300,393,000)
Provisions:	
1. The estimated amount referenced in Schedule (a) is the state's contribution required by Section 22955 of the Education Code.	
2. The estimated amount referenced in Schedule (b) is the state's contribution required by Section 22954 of the Education Code.	

Item	Amount
1920-490—Reappropriation, State Teachers' Retirement System. Notwithstanding any other provision of law, up to \$908,000 of the balance of the appropriation identified in the following citation is reappropriated, subject to the limitations set forth in Provision 1, and shall be available for encumbrance and expenditure until June 30, 1995.	
835—State Teachers' Retirement Fund	
(1) Item 1920-001-835, Budget Act of 1993.	
Provisions:	
1. The funds reappropriated in this item shall be available for expenditure by the State Teachers' Retirement System for the purposes of meeting unanticipated system costs and promoting better service to the system's membership. The funds may not be encumbered without advance approval of the State Teachers' Retirement Board. The board shall report to the Legislature on a quarterly basis throughout the 1994-95 fiscal year on expenditures made pursuant to this item.	
1960-001-001—For support of Department of Veterans Affairs	2,578,000
Schedule:	
(a) 10-Farm and Home Loans to Veterans	1,179,000
(b) 20-Veterans Claims and Rights	1,315,000
(c) 30-Care of Sick and Disabled Veterans	661,000
(d) 35-Veterans' Home of Southern California	840,000
(e) 50.01-General Administration.....	1,904,000
(f) 50.02-Distributed General Administration.....	-1,904,000
(g) Reimbursements.....	-238,000
(h) Amount payable from the Veterans' Farm and Home Building Fund of 1943 (Item 1960-001-592)	-1,179,000
1960-001-592—For support of Department of Veterans Affairs, for payment to Item 1960-001-001, payable from the Veterans Farm and Home Building Fund of 1943	1,179,000

Item	Amount
1960-101-001—For local assistance, Department of Veterans Affairs, for contribution to counties toward compensation and expenses of county veteran services offices, to be expended in accordance with Section 972 et seq. of the Military and Veterans Code.....	1,600,000
Schedule:	
(a) 20-Veterans Claims and Rights	2,245,000
(c) Reimbursements.....	-645,000
1970-011-001—For support of Veterans' Home of California.....	24,050,000
Schedule:	
(a) 30-Care of Sick and Disabled Veterans	47,225,000
(c) Reimbursements.....	-15,299,000
(d) Amount payable from the Federal Trust Fund (Item 1970-011-890) ..	-7,876,000
Provisions:	
1. The General Fund shall make a loan available to the Veterans' Home of California to meet cash needs resulting from the delay in receipt of federal reimbursement for medical services provided. The loan is short term, and shall be repaid within six months. Interest charges shall be waived pursuant to subdivision (e) of Section 16314 of the Government Code.	
2. Any loan authorized pursuant to this item shall require approval by the Department of Finance. Provisions 2, 3, and 4 of Item 9840-011-001 shall also apply to any loan authorized pursuant to this item.	
3. Notwithstanding Section 1012.3 of the Military and Veterans Code or any other provision of law, the Department of Veterans Affairs may increase the fees and charges to residents of the Veterans' Home of California. The department shall assess the fees on an ability-to-pay basis and under no circumstances shall the fees charged exceed the cost of the level of care provided to the resident. In addition, the department shall determine a reasonable level of monthly income for residents' personal use and shall exempt this income from the monthly fees.	
1970-011-890—For support of Veterans' Home of California, for payment to Item 1970-011-001, payable from the Federal Trust Fund	7,876,000

Item	Amount
1970-301-001—For capital outlay, Veterans' Home of California, Department of Veterans Affairs, payable from the General Fund.....	3,380,000
Schedule:	
(1) 80.20.045—Yountville: Minor Projects.....	325,000
(4) 80.20.210—Yountville: Program Management.....	190,000
(5) 80.20.245—Yountville: Remodel Wards 1, 2, 3C and 1, 2, 3D (SNF) —Construction and Equipment ...	2,865,000
1970-301-890—For capital outlay, Veterans' Home of California, Department of Veterans Affairs, payable from the Federal Trust Fund.....	6,856,000
Schedule:	
(1) 80.20.245—Yountville: Remodel Wards 1, 2, 3C and 1, 2, 3D (SNF) —Construction and Equipment ...	6,856,000

BUSINESS, TRANSPORTATION AND HOUSING

2100-001-081—For support of Department of Alcoholic Beverage Control	25,523,000
Schedule:	
(a) 10.10-Licensing.....	16,636,000
(b) 10.20-Compliance.....	9,872,000
(c) 10.30.010-Administration.....	2,753,000
(d) 10.30.020-Distributed Administration	-2,753,000
(e) Reimbursements.....	-985,000
2100-101-081—For local assistance, Department of Alcoholic Beverage Control, Program 10.20—Compliance, for grants to local law enforcement agencies	1,500,000
Provisions:	
1. Notwithstanding any other provisions of law, the Department of Alcoholic Beverage Control is authorized to grant funds to local law enforcement agencies for the purpose of enhancing enforcement of alcoholic beverage control laws in the local jurisdictions.	
2. Notwithstanding any other provisions of law, at the discretion of the Director, Department of Alcoholic Beverage Control, the department may advance grant funds to local law enforcement agencies.	

Item	Amount
3. Notwithstanding any other provisions of law, at the discretion of the Director, Department of Alcoholic Beverage Control, title to any authorized equipment purchased by the local law enforcement agency pursuant to the grant may be vested in the local law enforcement agency at the conclusion of the grant period.	
2120-001-117—For support of Alcoholic Beverage Control Appeals Board, Program 10, payable from the Alcoholic Beverage Control Appeals Fund	569,000
2140-001-136—For support of State Banking Department, payable from the State Banking Fund.....	16,443,000
Schedule:	
(a) 10-Licensing and Supervision of Banks and Trust Companies.....	15,801,000
(b) 20-Payment Instruments.....	755,000
(c) 30-Certification of Securities.....	10,000
(d) 40-Administration of Local Agency Security.....	274,000
(e) 50-Supervision of California Business and Industrial Development Corporations	36,000
(f) 60.01-Administrative Support Services.....	4,648,000
(g) 60.02-Distributed Administrative Support Services	-4,648,000
(h) Reimbursements.....	-159,000
(i) Amount payable from the Local Agency Deposit Security Fund (Item 2140-001-240)	-274,000
2140-001-240—For support of State Banking Department, for payment to Item 2140-001-136, payable from the Local Agency Deposit Security Fund	274,000
2180-001-067—For support of Department of Corporations.....	30,598,000
Schedule:	
(a) 10-Investment Program	11,993,000
(b) 20-Lender-Fiduciary Program	12,870,000
(c) 30-Health Care Program.....	5,735,000
(d) 50.01-Administration	2,260,000
(e) 50.02-Distributed Administration .	-2,260,000
Provisions:	
1. It is the intent of the Legislature to consolidate the Office of Savings and Loan, the Department of Banking, and the Department of Corporations into a single financial regulatory agency during the 1995-96 fiscal year. By December 1,	

Item	Amount
1994, the Department of Corporations shall submit to the Legislature a plan to effectuate this consolidation. This plan shall be developed in cooperation with the Department of Banking, the Office of Savings and Loan, the Business, Transportation and Housing Agency, and the Legislative Analyst's office. In developing the consolidation plan, the Department of Corporations shall (a) solicit input from private industry and other groups that interact with the state's regulation of financial services, (b) assign similar programs to the same division of the consolidated agency, and (c) provide for improved capacity to analyze the efficiency of the state's regulation of financial services.	
2240-001-001—For support of the Department of Housing and Community Development	4,446,000
Schedule:	
(a) 10-Codes and Standards Program 18,345,000	
(b) 20-Community Affairs Program ... 17,828,000	
(c) 30.01-Housing Policy Development Program..... 1,207,000	
(d) 30.02-Distributed Housing Policy Development Program -122,000	
(e) 50.01-Administration 11,643,000	
(f) 50.02-Distributed Administration.. -11,643,000	
(g) Reimbursements..... -395,000	
(h) Amount payable from the Mobile-home Park Revolving Fund (Item 2240-001-245) -3,668,000	
(j) Amount payable from the Mobile-home Park Purchase Fund (Item 2240-001-530) -547,000	
(k) Amount payable from the Rural Predevelopment Loan Fund (Item 2240-001-635) -326,000	
(l) Amount payable from the Mobile-home-Manufactured Home Revolving Fund (Item 2240-001-648) -13,395,000	
(m) Amount payable from the Disaster Housing Rehabilitation Fund (Item 2240-001-689) -1,146,000	
(n) Amount payable from the Self-Help Housing Fund (Item 2240-001-813) -216,000	
(o) Amount payable from the Federal Trust Fund (Item 2240-001-890) .. -5,173,000	

Item	Amount
(p) Amount payable from the Housing Rehabilitation Loan Fund (Item 2240-001-929)	-1,082,000
(q) Amount payable from the Homeownership Assistance Fund (Item 2240-001-936)	- 253,000
(r) Amount payable from the Rental Housing Construction Fund (Item 2240-001-938)	-1,126,000
(s) Amount payable from Special Deposit Fund-Century Freeway Housing Program (Item 2240-001-942)	-5,000,000
(t) Amount payable from the Urban Predevelopment Loan Fund (Item 2240-001-980)	- 224,000
(u) Amount payable from the Emergency Housing and Assistance Fund (Item 2240-001-985)	-261,000
2240-001-245—For support of Department of Housing and Community Development, for payment to Item 2240-001-001, payable from the Mobilehome Park Revolving Fund.....	3,668,000
2240-001-530—For support of Department of Housing and Community Development, for payment to Item 2240-001-000, payable from the Mobilehome Park Purchase Fund	547,000
2240-001-635—For support of the Department of Housing and Community Development, for payment to Item 2240-001-001, payable from the Rural Predevelopment Loan Fund.....	326,000
2240-001-648—For support of the Department of Housing and Community Development, for payment to Item 2240-001-001, payable from the Mobilehome-Manufactured Home Revolving Fund	13,395,000
Provisions:	
1. Notwithstanding Section 18077 of the Health and Safety Code, or any other provision of law, the first \$2,295,000 in revenues collected by the Department of Housing and Community Development from manufactured home license fees shall be deposited in the Mobilehome-Manufactured Home Revolving Fund, and shall be available to the department for the support, collection, administration, and enforcement of manufactured home license fees.	

Item	Amount
2. Notwithstanding Section 18077.5 of the Health and Safety Code or any other provision of law, the Department of Housing and Community Development is not required to comply with the reporting requirement of Section 18077.5 of the Health and Safety Code.	
2240-001-689—For support of Department of Housing and Community Development, for payment to Item 2240-001-001, payable from the Disaster Housing Rehabilitation Fund.....	1,146,000
2240-001-813—For support of the Department of Housing and Community Development, for payment to Item 2240-001-001, payable from the Self-Help Housing Fund.....	216,000
2240-001-890—For support of Department of Housing and Community Development, for payment to Item 2240-001-001, payable from the Federal Trust Fund.....	5,173,000
2240-001-929—For support of Department of Housing and Community Development, for payment to Item 2240-001-001, payable from the Housing Rehabilitation Loan Fund.....	1,082,000
2240-001-936—For support of Department of Housing and Community Development, for payment to Item 2240-001-001, payable from the Homeownership Assistance Fund.....	253,000
2240-001-938—For support of Department of Housing and Community Development, for payment to Item 2240-001-001, payable from the Rental Housing Construction Fund.....	1,126,000
2240-001-942—For support of Department of Housing and Community Development, for payment to Item 2240-001-001, payable from the Special Deposit Fund—Century Freeway Housing Program.	5,000,000
2240-001-980—For support of the Department of Housing and Community Development, for payment to Item 2240-001-001, payable from the Urban Redevelopment Loan Fund.....	224,000
2240-001-985—For support of the Department of Housing and Community Development, for payment to Item 2240-001-001, payable from the Emergency Housing and Assistance Fund.....	261,000
2240-101-001—For local assistance, Department of Housing and Community Development.....	3,604,000
Schedule:	
(a) 20-Community Affairs.....	113,076,000

Item	Amount
(b) Amount payable from the Federal Trust Fund (Item 2240-101-890) .	-109,472,000
2240-101-843—For local assistance, Department of Housing and Community Development, payable from the California Housing Trust Fund	(2,000,000)
Schedule:	
(a) For transfer to the Emergency Housing and Assistance Fund (985)	(2,000,000)
2240-101-890—For local assistance, Department of Housing and Community Development, for payment to Item 2240-101-001, payable from the Federal Trust Fund	109,472,000
2240-102-001—For local assistance, Department of Housing and Community Development, for transfer to the Special Deposit Fund—Office of Migrant Services (942)	3,400,000
2290-001-217—For support of Department of Insurance, payable from the Insurance Fund	90,831,000
Schedule:	
(a) 10-Regulation of Insurance Companies and Insurance Producers..	71,612,000
(b) 20-Fraud Control	20,740,000
(c) 30-Tax Collection and Audit	1,893,000
(e) 50.01-Administration	19,427,000
(f) 50.02-Distributed Administration ..	-19,427,000
(g) Unallocated reduction	-2,620,000
(gx) Unallocated reduction—Exempt positions	-84,000
(h) Reimbursements.....	-710,000
Provisions:	
1. Of the funds appropriated in this item, the Controller shall transfer \$2,876,000 as of July 1, 1994, to the Department of Aging for support of the Health Insurance Counseling and Advocacy Program.	
2. Of the funds appropriated in this item, the Controller shall transfer \$467,000 as of July 1, 1994, to the State and Consumer Services Agency for support of the Office of Insurance Advisor, to provide assistance to the Governor on insurance related matters.	
3. Of the funds appropriated in this item, an amount not to exceed \$600,000 shall be used solely to cover intervenor compensation costs allowable under subdivision (b) of Section 1861.10 of the Insurance Code.	

Item	Amount
2290-002-217—For support of Department of Insurance, Program 10-Regulation of Insurance Companies and Insurance Producers, payable from the Insurance Fund	623,000
2290-011-217—For transfer by the Controller from the Insurance Fund to the General Fund. Notwithstanding any other provision of law, the Controller shall transfer from the Insurance Fund to the General Fund any amount, as determined by the Department of Finance, in the Insurance Fund that is in excess of a \$956,000 reserve as of June 30, 1995.	
2290-101-217—For local assistance, Department of Insurance, Program 20-Fraud Control, payable from the Insurance Fund	21,212,000
2290-401—For support of the administrative costs for operating the Conservation and Liquidation Division of the Department of Insurance, for administrative costs of operating, conserving, and closing insolvent insurance companies by the Conservation and Liquidation Division that are to be paid by conserved estates and that are not funded by the Insurance Fund or the General Fund	(7,236,000)
Provisions:	
1. The amount of \$7,236,000 in this item is for informational purposes only. This estimate reflects only the amount budgeted for administrative costs of the Conservation and Liquidation Division for the 1994-95 fiscal year. This estimate does not reflect other direct costs, such as litigation fees and other direct costs associated with continuing to operate the insolvent companies until their closure.	
2. Beginning in the 1995-96 fiscal year, the Governor's Budget shall include specific information for all costs for each conserved estate, including both the administrative and direct costs, attributable to the operation of companies under conservation by the Conservation and Liquidation Division.	
2310-001-400—For support of the Office of Real Estate Appraisers payable from the Real Estate Appraisers Regulatory Fund	3,422,000

Item	Amount
Schedule:	
(a) 10-Administration of the Real Estate Appraisers Program	4,278,000
(b) Reimbursements.....	-856,000
2320-001-317—For support of Department of Real Estate, payable from the Real Estate Fund.....	27,509,000
Schedule:	
(a) 10-Licensing and Education.....	6,755,000
(b) 20-Regulatory and Recovery.....	16,406,000
(c) 30-Subdivisions.....	5,223,000
(d) 40.10-Administration	4,418,000
(e) 40.20-Distributed Administration	-4,418,000
(f) Reimbursements.....	-875,000
2340-001-337—For support of Office of Savings and Loan, Program 10—Supervision and Regulation payable from the Savings Association Special Regulatory Fund.....	464,000
2600-001-042—For support of California Transportation Commission, for payment to Item 2600-001-046, payable from the State Highway Account, State Transportation Fund.....	161,000
2600-001-046—For support of California Transportation Commission, payable from the Transportation Planning and Development Account, State Transportation Fund	1,160,000
Schedule:	
(a) 10-Administration of California Transportation Commission	1,321,000
(b) Amount payable from the State Highway Account, State Transportation Fund (Item 2600-001-042).....	-161,000
2640-101-046—For local assistance, Special Transportation Programs, notwithstanding Section 99312 of the Public Utilities Code, for allocation by the Controller, payable from the Transportation Planning and Development Account, State Transportation Fund.....	68,396,000
Provisions:	
1. Notwithstanding Sections 99313 and 99314 of the Public Utilities Code, not more than \$23,000 of the amount appropriated by this item shall fund the federal match requirement of the Transit Management Assistance program, and not more than \$54,875 of the amount appropriated by this item shall reimburse the Controller for expen-	

Item	Amount
<p>ditures for administration of State Transportation Assistance funds.</p> <p>2. On or before June 30, 1995, the Department of Finance shall certify to the Controller the amount of Transportation Planning and Development Account funds, if any, in excess of the amount appropriated in this item, and available for expenditure in the 1994-95 fiscal year for State Transit Assistance. The Controller shall then allocate the amount certified to local transportation planning agencies pursuant to Section 99312 of the Public Utilities Code.</p>	
<p>2660-001-041—For support of Department of Transportation, for payment to Item 2660-001-042, payable from the Aeronautics Account, State Transportation Fund.....</p>	2,919,000
<p>Provisions:</p> <p>1. Of the amount appropriated in this item, \$200,000 may be used only for defense conversion projects authorized by the Trade and Commerce Agency, to evaluate the commercial and general aviation afteruse of military airbases targeted for closure.</p>	
<p>2660-001-042—For support of Department of Transportation, payable from the State Highway Account, State Transportation Fund.....</p>	966,117,000
<p>Schedule:</p> <p>(a) 10-Aeronautics</p> <p>(b) 20-Highway Transportation</p> <p>(1) 20.10.101-Flexible Congestion Relief</p> <p>(2) 20.10.102-Interregional Road System</p> <p>(3) 20.10.103-Soundwalls.....</p> <p>(4) 20.10.204-Other Highway Construction.....</p> <p>(5) 20.10.205-Rehabilitation and Safety</p> <p>(6) 20.10.300-Traffic Systems Management</p>	<p>3,348,000</p> <p>1,668,925,000</p> <p>(313,703,000)</p> <p>(50,636,000)</p> <p>(18,793,000)</p> <p>(9,380,000)</p> <p>(178,170,000)</p> <p>(12,396,000)</p>

Item	Amount
(7) 20.10.400-State Support for Locally Funded Projects	(115,767,000)
(8) 20.30-Local assistance	(24,003,000)
(9) 20.40-Program development	(66,496,000)
(10) 20.60-Technical Services	(248,259,000)
(11) 20.70-Operations	(100,008,000)
(12) 20.80-Maintenance	(531,314,000)
(c) 30-Mass Transportation	111,187,000
(d) 40-Transportation Planning	22,035,000
(e) 50.01-Administration	194,055,000
(f) 50.02-Distributed Administration.....	-194,055,000
(fx) Unallocated Reduction.....	-28,000,000
(g) Reimbursements.....	-72,899,000
(h) Amount payable from the Aeronautics Account, State Transportation Fund (Item 2660-001-041) .	-2,919,000
(i) Amount payable from the State Highway Account, State Transportation Fund (Item 2660-002-042)	-4,266,000
(j) Amount payable from the State Highway Account, State Transportation Fund (Item 2660-025-042).....	-335,982,000
(k) Amount payable from the Bicycle Lane Account, State Transportation Fund (Item 2660-001-045)	-10,000
(l) Amount payable from the Transportation Planning and Development Account, State Transportation Fund (Item 2660-001-046)	-65,651,000
(m) Amount payable from the Federal Trust Fund (Item 2660-001-890).....	-321,393,000
(n) Amount payable from Seismic Safety Retrofit Account, State Transportation Fund (Item 2660-025-056)	-8,258,000

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Provisions:

1. For purposes of the funds appropriated in Schedule (b), Program 20—Highway Transportation. Upon approval of the California Transportation Commission and the Department of Finance, the department shall notify the chairpersons of the fiscal committees and the Chairperson of the Joint Legislative Budget Committee at least 20 days prior to spending funds to expand activities above budgeted levels or to implement a new activity not identified in this act, including any such expenditures to be funded through a transfer of money from other expenditure categories or programs, except in the case of emergency work increases caused by snow or storm damage.
2. From funds appropriated by this item, the Department of Transportation may enter into interagency agreements with the Department of the California Highway Patrol to compensate that department for the cost of work performed by patrol officers at or near state highway construction projects so as to reduce the risk of occurrence of serious motor vehicle accidents.
3. For purposes of the funds appropriated in Schedule (b), Program 20—Highway Transportation. Notwithstanding any other provision of law, any amount of the funds appropriated in Schedule (a) may be transferred to Item 2660-025-042 to allow the proper recording of expenditures as they relate to Proposition 111 funding. This transfer shall require the prior approval of the Department of Finance.
4. Notwithstanding any other provision of law, whenever the cash balance in the State Highway Account is or will be exhausted, and upon the approval of a quarterly plan of transfers by the Department of Finance, the Director of the Department of Transportation may authorize the Controller to direct the transfer of all or any part of the cash balance not needed in the other accounts under the control of the Department of Transportation to the State Highway Account. The Department of Transportation shall prepare a quarterly plan which forecasts the amounts, sources and timing of funds to be transferred during the quarter, and request the

Item

Amount

approval of the Department of Finance for the plan. The Department of Finance shall have 5 working days to approve or deny the plan, otherwise the plan shall be deemed to have been approved. All money so transferred shall be returned to the funds or accounts from which it was transferred as soon as there is sufficient money in the State Highway Account to return it, but in no circumstances shall the loan exceed 30 days. No transfers shall be made to the State Highway Account under this provision if such transfers shall impede the ability of the transferring account to meet statutory or contractual commitments. Interest shall be paid from the State Highway Account to the transferring account for any transfer authorized by this provision at the Pooled Money Investment Account rate.

5. From the funds appropriated in this item, the department may allocate an amount sufficient to maintain a fleet of vehicles. The fleet may be made available to employees for the purpose of meeting the department's responsibilities in the most cost-effective manner. The number of department vehicles taken home by employees for this purpose is limited to an average of 1,939 vehicles per day, beginning on January 1, 1995.
6. From the funds appropriated by this item the Department of Transportation shall fund a study, which shall be conducted by the Bureau of State Audits, of the department's fleet management. The bureau shall provide a report of the study to the Joint Legislative Budget Committee by December 30, 1994. The report shall specify possible methods to improve the cost-effectiveness of the department's vehicle fleet and recommend ways to implement those improvements. The report shall specifically address, but not be limited to, (a) methods for expanding competition by allowing consideration of additional vehicle manufacturers, (b) consideration of manufacturing quality records in evaluating bids, and (c) acquisition of subcompact vehicles.

Item	Amount
2660-001-045—For support of Department of Transportation, for payment to Item 2660-001-042, payable from the Bicycle Lane Account, State Transportation Fund.....	10,000
2660-001-046—For support of Department of Transportation, for payment to Item 2660-001-042, payable from the Transportation Planning and Development Account, State Transportation Fund.....	65,651,000
Provisions:	
1. For Program 30—Mass Transportation. Up to \$34,826,000 of the funds appropriated in this item shall be allocated, as directed by the California Transportation Commission, pursuant to Section 99316 of the Public Utilities Code.	
2660-001-890—For support of Department of Transportation, for payment to Item 2660-001-042, payable from the Federal Trust Fund	321,393,000
Provisions:	
1. For Program 20—Highway Transportation. For purposes of the Streets and Highways Code, all expenditures from this item shall be deemed to be expenditures from the State Highway Account, State Transportation Fund.	
2. For Program 20—Highway Transportation. Federal funds may be received from any federal source, and shall be deposited in the Federal Trust Fund. Any federal reimbursements shall be credited to the account from which the expenditures were originally made.	
2660-002-042—For support of Department of Transportation, for payment to Item 2660-001-042, payable from the State Highway Account, to be used exclusively for the support of the Intercity High-Speed Rail Committee at the direction of the committee pursuant to Senate Concurrent Resolution No. 6 of the 1993–94 Regular Session	4,266,000
2660-011-041—For transfer by the State Controller from the Aeronautics Account, State Transportation Fund, to the Transportation Planning and Development Account, State Transportation Fund, as prescribed by Section 21682.5 of the Public Utilities Code	(30,000)
2660-011-042—For transfer by the Controller from the State Highway Account, State Transportation Fund, to the Seismic Safety Retrofit Account, State Transportation Fund	(41,500,000)

Item	Amount
2660-021-042—For transfer by the State Controller from the State Highway Account, State Transportation Fund, to the Transportation Planning and Development Account, State Transportation Fund, as prescribed by Section 194 of the Streets and Highways Code.....	(16,970,000)
2660-022-042—For transfer by the State Controller from the State Highway Account, State Transportation Fund, to the Environmental Enhancement and Mitigation Demonstration Account, State Transportation Fund, as prescribed by Chapter 106, Statutes of 1989.....	(10,000,000)
2660-023-046—For transfer by the State Controller from the Transportation Planning and Development Account, State Transportation Fund, to the State Highway Account, State Transportation Fund	(15,400,000)
Provisions:	
1. Funds transferred pursuant to this item shall be used for the purposes of funding Article XIX Guideway projects.	
2660-024-042—For transfer by the State Controller from the State Highway Account, State Transportation Fund, to the Seismic Safety Retrofit Account, State Transportation Fund, as prescribed by Chapter 1082, Statutes of 1990	(8,266,000)
2660-025-042—For support of Department of Transportation (Proposition 111), for payment to Item 2660-001-042, payable from the State Highway Account, State Transportation Fund.....	335,982,000
Provisions:	
1. Funds appropriated in this item shall be available for Advances to the Transportation Revolving Account, State Transportation Fund as prescribed by Section 181 of the Streets and Highways Code.	
2660-025-056—For support of Department of Transportation, for payment to Item 2660-001-042, payable from the Seismic Safety Retrofit Account.....	8,258,000
2660-026-042—For transfer by the Controller from the State Highway Account, State Transportation Fund to the Motor Vehicle Account, State Transportation Fund	(15,400,000)

Item	Amount
2660-031-042—For transfer by the Controller from the State Highway Account, State Transportation Fund, to the General Fund, an amount of up to \$154,316,000 to pay the principal and interest on bonds sold pursuant to the Passenger Rail and Clean Air Bond Act of 1990 (Ch. 17 (commencing with Sec. 2701), Div. 3, S.&H.C.) and the Clean Air and Transportation Improvement Act of 1990 (Ch. 6 (commencing with Sec. 99690), Pt. 11.5, Div. 10, P.U.C.)	(154,316,000)
2660-101-042—For local assistance, Department of Transportation, Program 20—Highway Transportation, payable from the State Highway Account, State Transportation Fund.....	20,100,000
2660-101-045—For local assistance, Department of Transportation, Program 20—Highway Transportation, payable from the Bicycle Lane Account, State Transportation Fund.....	400,000
2660-101-046—For local assistance, Department of Transportation, payable from the Transportation Planning and Development Account, State Transportation Fund	13,192,000
Schedule:	
(a) 30-Mass Transportation	9,160,000
(b) 40-Transportation planning.....	4,032,000
Provisions:	
1. Notwithstanding any other provision of law, the funds appropriated in this item for Transit Capital Improvements shall be available for expenditures or reallocation, as directed by the California Transportation Commission, during the 1994-95, 1995-96 and 1996-97 fiscal years.	
2660-101-890—For local assistance, Department of Transportation, payable from the Federal Trust Fund.....	548,575,000
Schedule:	
(a) 20-Highway Transportation.....	500,000,000
(b) 30-Mass Transportation.....	22,075,000
(c) 40-Transportation Planning.....	26,500,000
Provisions:	
1. For Program 20—Highway Transportation. Notwithstanding other provisions of law, up to 5 percent of the amounts scheduled within Item 2660-101-890, may be transferred to Item 2660-301-890 only under emergency situations, for implementation of cost savings programs, or to maximize the use of federal funds. These trans-	

Item	Amount
<p>fers shall require the prior approval of the California Transportation Commission and the Department of Finance.</p> <p>2. For Program 20—Highway Transportation. For purposes of the Streets and Highways Code, all expenditures from this item shall be deemed to be expenditures from the State Highway Account, State Transportation Fund.</p> <p>3. For Program 20—Highway Transportation. Federal funds may be received from any federal source, and shall be deposited in the Federal Trust Fund. Any federal reimbursements shall be credited to the account from which the expenditures were originally made.</p>	
<p>2660-125-042—For local assistance, Department of Transportation (Proposition 111), payable from the State Highway Account, State Transportation Fund.....</p>	295,900,000
Schedule:	
(a) 20.25-State-Local Partnership	200,000,000
(b) 20.30-Local Assistance	95,900,000
Provisions:	
1. Notwithstanding other provisions of law, the funds appropriated in Schedule (a) shall be available for expenditures during the 1994–95, 1995–96, 1996–97 and 1997–98 fiscal years.	
2. Notwithstanding other provisions of law, the funds appropriated in Schedule (b) shall be available for expenditures during the 1994–95, 1995–96, and 1996–97 fiscal years.	
3. Notwithstanding other provisions of law, any amount appropriated in this item may be transferred to Item 2660-325-042 with prior approval of the California Transportation Commission and the Department of Finance.	
4. Notwithstanding other provisions of law, up to 5 percent of any amounts scheduled within this item may be transferred to Item 2660-325-042 only under emergency situations, for implementation of cost savings programs, or to maximize the use of federal funds. These transfers shall require the prior approval of the California Transportation Commission and the Department of Finance.	
5. Notwithstanding other provisions of law, the June 30, 1994, award deadline for Cycle 4 projects in the State-Local Transportation Part-	

Item	Amount
<p>nership Program shall be extended to June 30, 1995, for those projects that were delivered by that deadline, but did not meet the deadline because of delays in obtaining required federal approvals. The Department of Transportation shall verify that these projects were delivered with environmental approval, required rights-of-way, permits, and approved plans and specifications, so that the project otherwise could have been advertised and awarded by that deadline.</p>	
<p>6. The total amount of funds available for expenditure in the 1994-95 fiscal year for purposes of Schedule (a), Program 20.25—State-Local Partnership, shall not exceed \$189,000,000.</p>	
<p>2660-125-046—For local assistance, Department of Transportation Program 30—Mass Transportation (Proposition 111), payable from the Transportation Planning and Development Account, State Transportation Fund.....</p>	20,290,000
<p>Provisions:</p>	
<p>1. Notwithstanding any other provision of law, the funds appropriated in this item for Transit Capital Improvements shall be available for expenditures or reallocation, as directed by the California Transportation Commission, during the 1994-95, 1995-96 and 1996-97 fiscal years.</p>	
<p>2. The California Transportation Commission shall adopt a transit capital improvement project list for the 1994-95 fiscal year, which shall not obligate an amount of cash expenditures for the 1994-95 fiscal year in excess of the amount appropriated in this item. The commission shall also prepare a contingency list of transit capital improvement projects, approval for funding of which shall be contingent upon the availability of funds in excess of the amount appropriated in this item. In adopting a transit capital improvement project list for the 1994-95 fiscal year, the commission shall give first priority to funding projects authorized in prior fiscal years and for which funding from this item is necessary to meet cash commitments to these projects in the 1994-95 fiscal year.</p>	
<p>3. On or before June 30, 1995, the Department of Finance shall certify to the California Transportation Commission the amount of Transporta-</p>	

Item	Amount
tion Planning and Development Account funds, if any, in excess of the amount appropriated in this item and available for obligation during the 1994-95 fiscal year. The commission may then approve projects on their contingency list, provided that the cash requirements for these projects shall not exceed the amount certified by the Department of Finance.	
2660-125-183—For local assistance, Department of Transportation, Program 20—Highway Transportation, payable from the Environmental Enhancement and Mitigation Demonstration Program Fund.....	9,892,000
2660-126-042—For local assistance, Department of Transportation, payable from the State Highway Account, State-Transportation Fund	500,000
Provisions:	
1. The funds appropriated by this item shall be transmitted to the local reuse committee for the conversion of Mare Island Shipyard in Solano County, and are for the exclusive purpose of funding preliminary engineering and environmental work for the transportation system necessary to support the commercial conversion of Mare Island Naval Shipyard.	
2660-301-890—For capital outlay, Department of Transportation, Program 20—Highway Transportation, payable from the Federal Trust Fund	1,419,095,000
Provisions:	
1. For Program 20—Highway Transportation. Notwithstanding other provisions of law, up to 5 percent of the amounts scheduled within Item 2660-301-890, may be transferred to Item 2660-101-890 only under emergency situations, for implementation of cost savings programs, or to maximize the use of federal funds. These transfers shall require the prior approval of the California Transportation Commission and the Department of Finance.	
2. Provisions 2 and 3 of Item 2660-325-042 are also applicable to this item.	
3. For Program 20—Highway Transportation. For purposes of the Streets and Highways Code, all expenditures from this item shall be deemed to be expenditures from the State Highway Account, State Transportation Fund.	

Item	Amount
4. For Program 20—Highway Transportation. Federal funds may be received from any federal source, and shall be deposited in the Federal Trust Fund. Any federal reimbursements shall be credited to the account from which the expenditures were originally made.	
5. For Program 20—Highway Transportation. Notwithstanding other provisions of law, any amounts scheduled for Flexible Congestion Relief projects and for Traffic Systems Management projects may be transferred to Item 2660-101-890 for local transportation projects pursuant to the allocation of projects funds by the California Transportation Commission. These transfers shall require the prior approval of the California Transportation Commission and Department of Finance. These transfers of funds shall be available for expenditure during 1994-95, 1995-96 and 1996-97 fiscal years.	
6. Notwithstanding any other provision of law, expenditures funded by this appropriation may utilize the funding provisions of Chapters 194 and 195 of the Statutes of 1991.	
2660-302-046—For capital outlay, Department of Transportation, payable from the Transportation Planning and Development Account, State Transportation Fund.....	0
Schedule:	
(a) 30-Mass Transportation	67,826,000
(b) Reimbursements.....	-67,826,000
2660-311-042—For capital outlay, Department of Transportation, payable from the State Highway Account, State Transportation Fund.....	14,518,000
Schedule:	
(1) 20.20.500-Studies, preplanning and budget packages	100,000
(2) 20.20.501-Minor projects.....	689,000
(3) 20.20.502-Sacramento office headquarters: fire and life safety, and ADA improvements—construction	2,644,000
(4) 20.20.503-Fresno District office: new district headquarters building annex—construction.....	10,721,000
(5) 20.20.504-Redding District office: upgrade of computer service center—study	20,000

Item	Amount
(6) 20.20.506-San Luis Obispo District office: upgrade of HVAC—preliminary plans and working drawings	57,000
(7) 20.20.507-San Diego District office: fire and life safety improvements—preliminary plans and working drawings.....	131,000
(8) 20.20.508-Headquarters office phase II: fire and life safety improvement—preliminary plans and working drawings.....	156,000
Provisions:	
1. For Program 20—Highway Transportation. Savings on projects within category (2) of this item may be used by the California Transportation Commission to augment other projects within this item.	
2. For Program 20—Highway Transportation. Up to 20 percent of this item may be transferred from Item 2660-325-042 of this act to enable the California Transportation Commission to allocate supplemental funds to projects within this item. The transfer may only be made with the approval of the commission. Also, the Department of Finance shall be notified of the transfer prior to the commission approving any transfer and allocating those funds to any project.	
2660-325-042—For capital outlay, Department of Transportation (Proposition 111), payable from the State Highway Account, State Transportation Fund.....	329,581,000
Schedule:	
(a) 20-Highway Transportation.....	1,082,781,000
(1) 20.20.101 Flexible Congestion Relief	(120,426,000)
(2) 20.20.102 Interregional Road System	(21,768,000)
(3) 20.20.103 Soundwalls.....	(5,499,000)
(4) 20.20.204 Other Highway Construction	(34,025,000)
(5) 20.20.205 Rehabilitation and Safety	(139,795,000)
(6) 20.20.300 Traffic Systems Management	(8,068,000)
(7) Reimbursements	(753,200,000)
(b) Reimbursements.....	-753,200,000

Item	Amount
Provisions:	
1. For Program 20—Highway Transportation. Notwithstanding other provisions of law, up to 5 percent of the amounts scheduled in this item may be transferred to Item 2660-101-042 or Item 2660-125-042 of this act only under emergency situations, for implementation of cost savings programs, or to maximize the use of federal funds. These transfers shall require the prior approval of the California Transportation Commission and the Department of Finance.	
2. For Program 20—Highway Transportation. Funds appropriated by this item shall be available for allocation by the California Transportation Commission to those projects that have been included in a State Transportation Improvement Program or Highway System Operation and Protection Plan adopted by the commission or the department's Traffic Systems Management Program.	
3. For Program 20—Highway Transportation. For each capital outlay appropriation, the department shall determine for reversion the difference between the appropriation and the total amount needed for encumbered projects, encumbered right-of-way, and projects still to be scheduled for encumbrance against the appropriations. On or before October 1, 1994, the department shall submit to the Controller the estimated amounts to be reverted as of June 30, 1994, from the 1992-93 and 1993-94 fiscal year appropriations.	
4. For Program 20—Highway Transportation. Notwithstanding other provisions of law, any amounts scheduled within this item for Flexible Congestion Relief projects, State-Local Transportation Partnership projects, and for Traffic Systems Management projects may be transferred to Item 2660-101-042 or Item 2660-125-042 for local transportation projects pursuant to the allocation of project funds by the California Transportation Commission. These transfers shall require the prior approval of the California Transportation Commission and the Department of Finance. These transfers of funds shall be available for expenditure during the 1994-95, 1995-96, 1996-97, and 1997-98 fiscal years.	

Item	Amount
5. Notwithstanding any other provision of law, expenditures funded by this appropriation may utilize the funding provisions of Article 1 (commencing with Section 14560), Article 2 (commencing with Section 14560.5), and Article 3 (commencing with Section 14562.1) of Chapter 5 of Division 3 of Title 2 of the Government Code.	
6. Notwithstanding any other provision of law, no funds from the Toll Bridge Revenues Account shall be used to fund capital outlay or support for the seismic retrofit of toll bridges until all projects that were included in Chapter 4 (commencing with Section 30910) of Division 17 of the Streets and Highways Code, and that were subsequently approved by the voters in Regional Measure 1 in 1988, are completed.	
2660-325-056—For capital outlay, Department of Transportation, payable from the Seismic Safety Retrofit Account	41,500,000
Provisions:	
1. The funds appropriated in this item shall be allocated by the California Transportation Commission to accelerate the repair, replacement, and retrofitting of the I-280 freeway, located in the City and County of San Francisco, that are necessitated by the effects of the Loma Prieta Earthquake of 1989.	
2660-399-042—For the Department of Transportation, for final cost accounting of projects funded by both state and federal funds for which appropriations have expired, for state operations, local assistance, or capital outlay, payable from the State Highway Account, State Transportation Fund. Funds appropriated in this item shall be available for expenditure until June 30, 1995.....	5,000,000
Provisions:	
1. Notwithstanding other provisions of law, the Director of Finance may authorize amounts from funds 041 and 046 for the same purposes as provided in this item. The total amount to be expended for the purposes of this item shall not exceed \$5,000,000 in total from the three specified funds.	
2660-490—The amounts specified below are appropriated in augmentation of these items for the same period and purpose. The funds continued for ex-	

Item	Amount
penditure from the following citations shall be available for allocation by the California Transportation Commission to any project whether or not included in an adopted State Transportation Improvement Program:	
(a) Notwithstanding any other provisions of law, the unliquidated encumbrances of the capital outlay appropriations provided in the following citations are available for expenditure until June 30, 1995.	
042—For Program 20—Highway Transportation, payable from the State Highway Account, State Transportation Fund	
(1) Item 2660-301-042, Budget Act of 1989—\$5,000,000	
(2) Item 2660-301-042, Budget Act of 1990—\$10,000,000	
(3) Item 2660-325-042, Budget Act of 1991—\$10,000,000	
(b) Notwithstanding any other provisions of law, the unliquidated encumbrances of the capital outlay appropriations provided in the following citations are available for expenditure until June 30, 1996.	
890—For Program 20—Highway Transportation, payable from the Federal Trust Fund	
(1) Item 2660-301-890, Budget Act of 1989—\$5,000,000	
(2) Item 2660-301-890, Budget Act of 1990—\$10,000,000	
2660-491—Reappropriation—Notwithstanding any other provisions of law, and in accordance with subdivision (c) of Section 16304 of the Government Code, the unliquidated encumbrances for the appropriations provided in the following citations, are reappropriated without regard to fiscal year, to enable continuing liquidation of these encumbrances, and to allow project savings to be available for local assistance projects previously funded. The unencumbered balance shall not be available for encumbrance.	
042—State Highway Account	
(1) Item 2660-101-042, Budget Act of 1989, Program 30	
(2) Item 2660-101-042, Budget Act of 1992, Program 20	
045—Bicycle Lane Account	

Item	Amount
(1) Item 2660-101-045, Budget Act of 1992, Program 20	
046—Transportation Planning and Development Account	
(1) Item 2660-101-046, Budget Act of 1985, Program 30	
(2) Item 2660-301-046, Budget Act of 1985, Program 30 (Reimbursements)	
(3) Item 2660-301-046, Budget Act of 1986, Program 30 (Reimbursements)	
(4) Item 2660-101-046, Budget Act of 1988, Program 30	
(5) Item 2660-301-046, Budget Act of 1988, Program 30	
(6) Item 2660-301-046, Budget Act of 1988, Program 30 (Reimbursements)	
890—Federal Trust Fund	
(1) Item 2660-301-890, Budget Act of 1987, Program 30	
2660-492—(a) Reappropriation—Department of Transportation. Notwithstanding any other provision of law, the balance as of June 30, 1994, of the appropriations in the following citations, are appropriated for the purposes provided for in those appropriations and shall be available for expenditure until June 30, 1995.	
042—State Highway Account	
(1) Chapter 1472, Statutes of 1988.	
Provisions:	
1. Notwithstanding any other provision of law, funds to be expended for the completion of the East Bay State Building and for space management efficiencies.	
2. Notwithstanding any other provision of law, unexpended funds from provision (a) to pay principal and interest on debt issued to finance the East Bay State Building.	
(2) Item 2660-101-042, Budget Act of 1991, Program 20	
(3) Item 2660-125-042, Budget Act of 1991, Program 30	
(4) Item 2660-101-042, Budget Act of 1992, Program 20	
046—Transportation Planning and Development Account	
(1) Chapter 1232, Statutes of 1989, Program 30	

Item	Amount
(2) Item 2660-302-046, Budget Act of 1989, Program 30	
(3) Item 2660-302-046, Budget Act of 1989, Program 90.30 (Reimbursements)	
853—Petroleum Violation Escrow Account	
(1) Chapter 1648, Statutes of 1990	
(2) Item 2660-101-853, Budget Act of 1992, (bb)	
(3) Chapter 1159, Statutes of 1993	
(b) Reappropriation—Department of Transportation. Notwithstanding any other provision of law, the balance as of June 30, 1994, of the appropriations in the following citations, are appropriated for the purposes provided for in those appropriations and shall be available for expenditure until June 30, 1996.	
042—State Highway Account	
(1) Item 2660-301-042, Budget Act of 1989, Program 20	
(2) Item 2660-301-042, Budget Act of 1990, Program 20	
(3) Item 2660-301-042, Budget Act of 1991	
(4) Item 2660-325-042, Budget Act of 1991, Program 20	
(5) Item 2660-325-042, Budget Act of 1992, Program 20	
056—Seismic Safety Retrofit Account	
(1) Chapter 18, Statutes of 1989	
853—Petroleum Violation Escrow Account	
(1) Item 2660-101-853, Budget Act of 1992.	
Notwithstanding any other provision of law, upon approval by the Federal Department of Energy, the reappropriated balance can be used for child care energy conservation measures in the amount of \$100,000 for the Sylmar/San Fernando Metrolink Station Child Care Facility and \$300,000 for construction of the Sylmar/San Fernando Metrolink Station Child Care Facility.	
0890—Federal Trust Fund	
(1) Item 2660-301-890, Budget Act of 1991	
(2) Item 2660-301-890, Budget Act of 1992, Program 20	
2660-493—Reappropriation—Department of Transportation. Notwithstanding any other provision of law, the appropriations in the following citations are reappropriated to enable the collection of outstand-	

Item	Amount
ing federal reimbursements as of the end of June 30, 1994. These appropriations shall be available until June 30, 1995:	
890—Federal Trust Fund	
(1) Item 2660-001-890, Budget Act of 1988	
(2) Item 2660-001-890, Budget Act of 1989	
(3) Item 2660-001-890, Budget Act of 1990	
(4) Item 2660-001-890, Budget Act of 1991	
Also, the amount needed from the following citation for State-Local Transportation Partnerships projects awarded in the 1992–93 fiscal year is reappropriated and shall be available for expenditure until June 30, 1996.	
042—State Highway Account	
(1) Item 2660-125-042, Budget Act of 1992	
(a) 20.25 State-Local Partnership	
2700-001-044—For support of Office of Traffic Safety, payable from the Motor Vehicle Account, State Transportation Fund.....	326,000
Schedule:	
(a) 10-California Traffic Safety	14,809,000
(b) Reimbursements.....	–25,000
(c) Amount payable from the Federal Trust Fund (Item 2700-001-890) ..	–14,458,000
2700-001-890—For support of Office of Traffic Safety, for payment to Item 2700-001-044, payable from the Federal Trust Fund, not subject to the provisions of Section 28.00	14,458,000
2700-101-890—For local assistance, Office of Traffic Safety, payable from the Federal Trust Fund, not subject to the provisions of Section 28.00.....	10,682,000
2720-001-042—For support of Department of the California Highway Patrol, for payment to Item 2720-001-044, payable from the State Highway Account, State Transportation Fund.....	19,584,000
2720-001-044—For support of Department of the California Highway Patrol, payable from the Motor Vehicle Account, State Transportation Fund.....	682,993,000
Schedule:	
(a) 10-Traffic Management.....	649,864,000
(b) 20-Regulation and Inspection	70,169,000
(c) 30-Vehicle Ownership Security	16,017,000
(d) 40.01-Administration	133,384,000
(e) 40.02-Distributed Administration	–133,384,000
(f) Reimbursements.....	–23,832,000

Item	Amount
(g) Amount payable from the California Motorcyclist Safety Fund (Item 2720-001-840)	-1,799,000
(h) Amount payable from the Asset Forfeiture Account, Special Deposit Fund (Item 2720-011-942) ..	-2,002,000
(i) Amount payable from the Federal Trust Fund (Item 2720-001-890) ..	-4,240,000
(j) Amount payable from the State Highway Account (Item 2720-001-042)	-19,584,000
(k) Amount payable from the Hazardous Substance Account, Special Deposit Fund (Item 2720-001-942)	-200,000
(l) Amount payable from the Commercial Motor Carrier Safety Enforcement Fund (Item 2720-001-138)	-1,400,000

Provisions:

1. Pursuant to Section 14669 of the Government Code, the Director of General Services, acting on behalf of the Department of the California Highway Patrol, with the approval of the Department of Finance, may enter into a lease-purchase agreement or a lease with option to purchase with an initial option purchase price over \$2,000,000 to provide adequate office and parking facilities for area offices in Banning, Grass Valley, Quincy, Gold Run, and East Los Angeles.
2. Of the funds appropriated in Schedule (a) of this item, an amount not to exceed \$4,100,000 is available to reimburse the Department of Transportation for payments on behalf of the Department of the California Highway Patrol to satisfy judgments or settlements relating to litigation in connection with the I-5 dust storms of November 1991.
3. Notwithstanding any other provision of law, the Department of the California Highway Patrol may expend up to \$205,000, from the funds appropriated in Schedule (b) of this item, to establish, coordinate, and administer the Commercial Motor Carrier Safety Enforcement Fund, and to manage a public awareness campaign in fur-

Item	Amount
therance of the purposes of the Commercial Motor Carrier Safety Enforcement Fund.	
2720-001-138—For support of the California Highway Patrol, for payment to Item 2720-001-044, payable from the Commercial Motor Carrier Safety Enforcement Fund.....	1,400,000
2720-001-840—For support of Department of the California Highway Patrol, for payment to Item 2720-001-044, payable from the California Motorcyclist Safety Fund	1,799,000
2720-001-890—For support of Department of the California Highway Patrol, for payment to Item 2720-001-044, payable from the Federal Trust Fund	4,240,000
2720-001-942—For support of Department of California Highway Patrol, payable from the Hazardous Substance Account, Special Deposit Fund.....	200,000
2720-011-942—For support of Department of the California Highway Patrol, for payment to Item 2720-001-044, payable from the Asset Forfeiture Account, Special Deposit Fund.....	2,002,000
2720-021-044—For Department of the California Highway Patrol, for advance authority for the department to incur automotive equipment purchase obligations in an amount not to exceed \$5,000,000 during the 1994–95 fiscal year, for delivery beginning in the 1995–96 fiscal year, payable from the Motor Vehicle Account, State Transportation Fund .	(5,000,000)
2720-301-044—For capital outlay, Department of the California Highway Patrol, payable from the Motor Vehicle Account, State Transportation Fund ..	13,403,000
Schedule:	
(1) 50.01.001-Minor Projects.....	795,000
(2) 50.12.043-Academy Security System	409,000
(3) 50.19.109-Cobb Mt. Radio Site: Purchase Land	152,000
(4) 50.28.208-Amador: Purchase of Leased Facility.....	2,464,000
(5) 50.47.407-Modesto: Purchase of Leased Facility.....	3,429,000
(6) 50.48.408-Buttonwillow: Purchase of a Leased Facility.....	1,510,000
(7) 50.86.806-Rancho Cucamonga: Purchase of a Leased Facility.....	4,524,000
(8) 50.90.901-Studies, Preplanning, and Budget Packages.....	100,000

Item	Amount
(9) 50.90.900-Statewide: Property Op- tions and Appraisals—Planning ...	20,000
Provisions:	
1. The funds appropriated in category (9) shall be available for expenditure only during the 1994-95 fiscal year and shall be used only in con- nection with projects which are to be included in the Budget submitted by the Governor for the 1995-96 fiscal year.	
2720-490—Reappropriation—Department of the Cali- fornia Highway Patrol. Of the undisbursed balance available in the appropriation provided in the fol- lowing citation, \$2,684,000 is reappropriated for the purpose of extending the liquidation period until June 30, 1995.	
044—Motor Vehicle Account, State Transportation Fund.	
(1) Item 2720-001-044, Budget Act of 1991, Pro- gram 10-California Traffic Safety: to complete purchase and installation of nonsimulcast radio consoles and peripheral equipment.	
2740-001-001—For support of Department of Motor Ve- hicles, for payment to Item 2740-001-044	60,000
Provisions:	
1. The funds appropriated by this item are for the Anatomical Donor Designation program.	
2740-001-044—For support of Department of Motor Ve- hicles, payable from the Motor Vehicle Account, State Transportation Fund.....	332,038,000
Schedule:	
(a) 11-Vehicle/Vessel Identification and Compliance	272,746,000
(b) 22-Driver Licensing and Personal Identification.....	142,854,000
(c) 25-Driver Safety.....	68,517,000
(d) 32-Occupational Licensing and Investigative Services.....	28,821,000
(e) 35-New Motor Vehicle Board	1,498,000
(f) 41.01-Administration.....	58,956,000
(g) 41.02-Distributed Administration .-	58,956,000
(h) Reimbursements.....	-13,859,000
(i) Amount payable from the General Fund (Item 2740-001-001)	-60,000
(j) Amount payable from the New Motor Vehicle Board Account (Item 2740-001-054)	-1,498,000

Item	Amount
(k) Amount payable from the Motor Vehicle License Fee Account, Transportation Tax Fund (Item 2740-001-064)	- 162,478,000
(l) Amount payable from the Harbors and Watercraft Revolving Fund (Item 2740-001-516)	- 4,331,000
(m) Amount payable from Federal Trust Fund (Item 2740-001-890) ..	- 172,000
Provisions:	
1. Pursuant to Section 14669 of the Government Code, the Director of General Services, acting on behalf of the Department of Motor Vehicles, with the approval of the Department of Finance, may enter into a lease-purchase agreement or a lease with option to purchase, with an initial option purchase price over \$2,000,000 to provide adequate office and parking facilities for field offices in Walnut Creek, Palmdale, San Bernardino CDL, and El Centro.	
2. The amount appropriated in this item includes funding for the issuance of several series of special license plates, in accordance with new statutes. These funds may be expended, for each plate series, once the Department of Motor Vehicles has received 5,000 applications or reimbursement from each plate series sponsor to recover implementation costs.	
3. No funds appropriated in this item shall be used to support database redevelopment.	
4. Of the amounts appropriated in this item, \$2,390,000 of the moneys collected by the Department of Motor Vehicles from the sale of information or personal identification cards shall be used to provide funding for the state's program under HR 2 of the 103rd Congress (Motor Voter Program).	
5. The Department of Motor Vehicles shall submit a report to the Legislature by December 31, 1994, that analyzes the cost-effectiveness of the department's credit card payment program.	
2740-001-054—For support of Department of Motor Vehicles, for payment to Item 2740-001-044, payable from the New Motor Vehicle Board Account, State Transportation Fund.....	1,498,000

Item	Amount
2740-001-064—For support of Department of Motor Vehicles, for payment to Item 2740-001-044, payable from the Motor Vehicle License Fee Account, Transportation Tax Fund.....	162,478,000
2740-001-516—For support of Department of Motor Vehicles, for payment to Item 2740-001-044, payable from the Harbors and Watercraft Revolving Fund ..	4,331,000
Provisions:	
1. The funds appropriated by this item are for undocumented vessel registration and fee collection.	
2740-001-890—For support of Department of Motor Vehicles, for payment to Item 2740-001-044, payable from the Federal Trust Fund	172,000
2740-005-044—For support of the Department of Motor Vehicles, payable from the Motor Vehicle Account, State Transportation Fund	3,044,000
Schedule:	
(a) 11-Vehicle/Vessel Identification and Compliance	2,148,000
(b) 22-Driver Licensing and Personal Identification	1,515,000
(c) 25-Driver Safety	559,000
(d) 32-Occupational Licensing and Investigative Services	221,000
(e) 41.01-Administration	507,000
(f) 41.02-Distributed Administration .	—507,000
(g) Amount payable from the Motor Vehicle License Fee Account, Transportation Tax Fund (Item 2740-005-064)	—1,399,000

Provisions:

1. Of the funds appropriated by this item, up to \$500,000 shall be used only to reimburse the Bureau of State Audits for its costs to contract with an independent consultant to evaluate the Department of Motor Vehicles' (DMV) database redevelopment project and needs, and to propose a solution, consistent with the stated intent of the Legislature. Of the funds appropriated by this item, up to \$3,900,000 shall be used only to make required payments to the Stephen P. Teale Data Center for the purchase, maintenance, and support of the Tandem computer system that was procured for the DMV's database redevelopment project. The DMV shall minimize these costs by eliminating or postpon-

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Amount

ing tasks or payments that are not necessary during the consultant review period. Any funds not required for either of these purposes shall revert on June 30, 1995.

2. The independent consultant shall evaluate the database redevelopment project and recommend the most appropriate course of action. The Bureau of State Audits (BSA) shall select the consultant, and let and manage the consultant contract. The BSA shall be assisted by a procurement advisory committee that includes participants from the DMV, the Office of Information Technology (OIT), the Legislative Counsel Bureau, and the Legislative Analyst's Office. The consultant's analysis shall encompass, at a minimum, the following:
 - (a) Review the DMV's Strategic Information Technology Plan (SITP) and comment on its value as a long-range planning and policy document, in order to ensure that database redevelopment is consistent with the appropriate elements of the SITP.
 - (b) Evaluate the need to replace the Series/1 computers in the DMV field offices, in order to ensure that database redevelopment will be consistent with a reasonable replacement schedule and will provide appropriate flexibility for future changes in field office computing.
 - (c) Consider the DMV's need to adapt to new responsibilities, business practices, and customers, including those represented in the DMV's Strategic Business Plan and state and federal legislative mandates, in order to ensure that database redevelopment will facilitate efficient and responsive operation of the department.
 - (d) Determine how urgent the need is to redevelop the department's database system, what the appropriate timetable is for redevelopment, and what the risks are of a shorter or longer schedule.
 - (e) Evaluate all available options, including the initial plan utilizing relational technology, consider the department's long-range information technology strategy and business needs, and determine the most cost-

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effective option for database redevelopment. If the recommended plan differs from the initial plan or does not utilize relational technology, the independent consultant's analysis shall explain why the recommended plan is preferable. In developing the recommended option, the consultant shall evaluate whether the cost-effectiveness of the project can be improved by utilizing previous project investments. The primary goal of the consultant's analysis shall be to develop and recommend a database redevelopment plan; this effort should represent the largest share of the consultant's work.	
(f) Review and determine the extent and nature of the appropriate involvement by DMV staff and private-sector contractors in the procurement, management, and implementation of the database redevelopment project.	
3. No later than March 1, 1995, the consultant shall complete its review, analysis, and recommendation, and shall provide a final report, including (a) an overview of the department's short- and long-term information technology needs and strategies, (b) a detailed plan and cost estimate for the recommended database redevelopment plan, and (c) a request for proposal (RFP) to procure one or more outside contractors to implement the recommended database project. The consultant shall include, in the project plan and the RFP, substantial performance guarantees and financial penalties to ensure the timely and cost-effective performance of the contractor. The RFP shall identify project milestones and deliverables and shall indicate the respective responsibility and authority of the contractor and of the DMV, in order to provide clear accountability and responsibility for successful project implementation. The BSA shall transmit the consultant's final report to the Joint Legislative Budget Committee and the appropriate fiscal and policy committees of the Legislature no later than March 7, 1995.	
4. One or more contractors to implement the database redevelopment project shall be solicited	

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<p>through the RFP, which may allow for award based on other factors to be determined by the BSA in addition to cost, including value-effectiveness factors as defined in Chapter 1106 of the Statutes of 1993. The RFP shall be put to bid by March 1, 1995. The contract shall be awarded on a competitive basis to the bidder submitting the most value-effective proposal, as recommended by the consultant to the Joint Legislative Budget Committee. The RFP shall permit, but not require, a bidder to submit a proposal that utilizes prior project investment, and the cost of that prior investment shall not be considered as costs of the bid. The consultant shall participate in the evaluation and selection of bids and, at each significant milestone in the selection of contractors, shall certify to the Legislature whether the intent of the Legislature and the best judgment of the consultant are being met.</p>	
<p>5. After vendor proposals have been evaluated, the DMV shall prepare a business plan for the recommended database redevelopment project. The business plan shall contain the proposed conceptual system design, the estimated costs and benefits of the project, and an implementation schedule for the major deliverables of the project. The business plan shall be submitted to the OIT.</p>	
<p>2740-005-064—For support of the Department of Motor Vehicles, for transfer to Item 2740-005-044, payable from the Motor Vehicle License Fee Account, Transportation Tax Fund</p>	1,399,000
<p>2740-011-044—For payment of deficiencies in appropriations for the Department of Motor Vehicles which may be authorized by the Director of Finance, with the consent of the Governor, payable from the Motor Vehicle Account, State Transportation Fund.....</p>	(1,000,000)
<p>Provisions:</p>	
<p>1. The Director of Finance shall report allocations from this appropriation in the same manner as required for reporting allocations from Item 9840-001-494 of this act.</p>	
<p>2740-021-044—For transfer by the Controller from the Motor Vehicle Account, State Transportation Fund, to the General Fund</p>	(47,400,000)

Item	Amount
Provisions:	
1. Funds transferred pursuant to this item shall be limited to net revenues received from the sale of information by the Department of Motor Vehicles.	
2740-301-044—For capital outlay, Department of Motor Vehicles, payable from the Motor Vehicle Account, State Transportation Fund	1,370,000
Schedule:	
(1) 71.01.000-Minor Projects.....	1,270,000
(2) 71.22.010-Statewide: Budget Package Preparation.....	100,000
2780-001-683—For support of Stephen P. Teale Data Center, Business, Transportation and Housing Agency, payable from the Stephen P. Teale Data Center Revolving Fund.....	72,780,000
Provisions:	
1. Notwithstanding any other provision of law, the Director of Finance may authorize expenditures for the Teale Data Center in excess of the amount appropriated not sooner than 30 days after notification in writing of the necessity therefor is provided to the chairpersons of the fiscal committees and the Chairperson of the Joint Legislative Budget Committee, or not sooner than whatever lesser time the chairperson of the committee, or his or her designee, may in each instance determine.	
2. The Director of the Teale Data Center shall not enter into any procurement agreement or lease, under which future or multiyear expenditures exceeding would exceed \$250,000, for computer projects about which the Legislature has not been specifically informed pursuant to this provision. The Director of Finance may authorize such an agreement or projects to proceed no sooner than 30 days after notification in writing of the necessity therefor is provided to the chairpersons of the fiscal committees and the chairperson of the Joint Legislative Budget Committee, or not sooner than whatever lesser time the chairperson of the joint committee, or his or her designee, may in each instance determine.	
3. The Teale Data Center shall renegotiate its contract with the Department of Motor Vehicles for network services provided in response to the department's Request for Proposal RFP DMV-	

Item	Amount
2046 to ensure that (a) the data center recovers its full cost of services provided the Department of Motor Vehicles consistent with Section 8752 of the State Administrative Manual and (b) the liquidated damages provision of the contract is removed in order that none of the data center's other clients will incur a financial liability for any failure on the part of the data center to perform under the contract.	
4. The Director of Finance may authorize the augmentation of the amount authorized in this item by up to \$13,300,000 only if the Teale Data Center renegotiates its contract with the Department of Motor Vehicles for network services in accordance with Provision 3 of this item, except that any augmentation authorized pursuant to this provision shall not become effective sooner than 30 days after the notification in writing of the necessity therefor is provided to the Chairperson of the Joint Legislative Budget Committee, or not sooner than whatever lesser time the chairperson or his or her designee may determine.	

TRADE AND COMMERCE

2920-001-001—For support of California Trade and Commerce Agency	21,460,000
Schedule:	
(a) 10-Economic Development.....	8,754,000
(b) 20-International Trade and Investment	3,512,000
(c) 25-Marketing and Communications	679,000
(d) 30-Tourism.....	7,474,000
(e) 40-Contracts, Grants, and Loans ..	794,000
(f) 60-Policy and Planning.....	881,000
(g) 70.01-Administration	2,944,000
(h) 70.02-Distributed Administration .	-2,944,000
(i) Reimbursements.....	-634,000
2920-001-145—For support of California Trade and Commerce Agency, payable from the Commerce Marketing Fund.....	102,000
2920-001-173—For support of California Trade and Commerce Agency, payable from the Competitive Technology Fund.....	1,183,000

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2920-001-440—For support of California Trade and Commerce Agency, payable from the Petroleum Underground Storage Tank Financing Account....	288,000
Schedule:	
(a) 10-Economic Development.....	238,000
(b) 40-Contracts, Grants and Loans...	50,000
2920-001-890—For support, California Trade and Commerce Agency, payable from the Federal Trust Fund.....	376,000
Schedule:	
(a) 10-Economic Development.....	309,000
(b) For transfer to the California Economic Development Grant and Loan Program.....	67,000
2920-001-981—For support of California Trade and Commerce Agency, Program 20—International Trade and Investment payable from the California State World Trade Commission Fund	2,405,000
Schedule:	
(a) 20-International Trade and Investment	2,405,000
2920-011-001—For support of California Trade and Commerce Agency	7,037,000
Schedule:	
(a) For transfer to Competitive Technology Fund.....	480,000
(b) For transfer to California State World Trade Commission Fund..	2,296,000
(c) For transfer to the Small Business Expansion Fund.....	1,425,000
(d) For transfer to the California Export Finance Fund.....	2,836,000
Provisions:	
1. Of the amount appropriated in this item, \$76,000 of the funds proposed for the Small Business Loan Guarantee Program shall be used to continue the satellite Small Business Development Corporation in San Bernardino.	
2920-011-918—For transfer by the Controller from the Small Business Expansion Fund.....	(2,000,000)
Schedule:	
(a) For transfer to California World Trade Commission Fund.....	(109,000)
(b) For transfer to California Export Finance Fund	(1,891,000)
2920-101-001—For local assistance, California Trade and Commerce Agency	9,947,000

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Schedule:

(a) 10-Economic Development (Small Business Development Centers).....	960,000
(d) For transfer to the Competitive Technology Fund.....	5,987,000
(e) For the Northern California Su- percomputer Center	2,000,000

Provisions:

1. Notwithstanding any other provision of law, the funds appropriated in this item for transfer to the Competitive Technology Fund may be used to fund the support costs of the Strategic Technology Program.
2. Notwithstanding Section 15379.10 of the Government Code, all funds transferred to the Competitive Technology Fund may be awarded for discretionary technology transfer grants and projects.
3. Notwithstanding any other provision of law, \$145,000 of the amount appropriated pursuant to Chapter 866 of the Statutes of 1993 shall be used to establish a Small Business Development Corporation in Eureka.
4. Of the funds appropriated in this item for the Strategic Technology Program, \$550,000 shall be made available at Vandenberg Air Force Base for the not-for-profit Western Commercial Space Center, as follows:
 - (a) \$500,000, to match \$5,000,000 in federal funds from the Department of Defense, to support (1) final design of the Spaceport Launch Facility (SLF); and (2) upgrades of the existing Integrated Processing Facility (IPF) for the following purposes: (A) to build the Launch Control Center; (B) to establish the Computer Information Network; (C) to upgrade spaceport communications and emergency systems; (D) to improve access for hardware transportation between IPF and SLF; and (E) to undertake related maintenance and control improvements.
 - (b) \$50,000, to match \$350,000 in federal funds from the United States Department of Defense, to support development of a financially self-sustaining Commercial Space

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Standards and Technical Information Center (CSSTIC) for commercial space technical data, and to define categories and standards to be developed among the several commercial United States spaceports currently being planned.	
5. Notwithstanding any other provision of law, \$500,000 of the amount appropriated pursuant to Chapter 866 of the Statutes of 1993 shall be used to support the New Business Incubator Enterprise Program established pursuant to Article 3.2 (commencing with Section 15339.1) of Chapter 1 of Part 6.7 of Division 3 of Title 2 of the Government Code.	
6. Of the amount made available for expenditure by Chapter 866 of the Statutes of 1993, \$1,900,000 shall be used for loan guarantees for small businesses under the Export Finance Program.	
7. Of the funds appropriated by this item, \$100,000 shall be used for a planning grant for a Bay Area Regional Defense Conversion Coordinating Center.	
2920-101-439—For local assistance, California Trade and Commerce Agency, for transfer to the Petroleum Underground Storage Tank Financing Account	(4,000,000)
2920-101-890—For local assistance, California Trade and Commerce Agency Program 10—Economic Development (Small Business Development Centers), payable from the Federal Trust Fund.....	3,931,000
2920-102-440—For local assistance, California Trade and Commerce Agency Program 10-Economic Development, payable from the Petroleum Underground Storage Tank Financing Account	4,000,000
2920-111-123—Notwithstanding any other provision of law, on June 30, 1995, the Controller shall transfer to the General Fund from the Rural Economic Development Fund the unexpended balance of interest earnings.	
2920-401—Of the amount made available for expenditure by Chapter 866 of the Statutes of 1993, not less than \$2,910,000 shall be available for expenditure to implement the Surety Bond Program.	

Item	Amount
RESOURCES	
3110-001-001—To the Resources Agency, Special Resources Program, Program 30—Sea Grant Program, for grants to public and private higher education for use as a maximum of two-thirds of the local matching share for projects under the National Sea Grant College and Program Act of 1966.....	354,000
Provisions:	
1. The funds appropriated by this item are in lieu of any amount that would otherwise be received pursuant to Section 6217 of the Public Resources Code.	
3110-001-140—To the Resources Agency, Special Resources Program, Program 30-Sea Grant Program, for a grant to the University of California for support of the Sea Grant Marine Advisory Program, payable from the California Environmental License Plate Fund.....	106,000
3110-101-001—For local assistance, Special Resources Program, Program 10—Tahoe Regional Planning Agency	819,000
3110-101-140—For local assistance, Special Resources Program, Program 10—Tahoe Regional Planning Agency, payable from the California Environmental License Plate Fund.....	582,000
Provisions:	
1. The Tahoe Regional Planning Agency shall use the funds appropriated by this item in the following manner: \$379,000 to continue the Lake Tahoe Regional Integrated Monitoring Program; \$53,333 to continue the community planning process; \$80,000 to continue the evaluation of the progress towards meeting environmental thresholds and standards pursuant to the Tahoe Regional Plan; \$19,667 to evaluate the environmental impact of shorezone structures within the Lake Tahoe Region; and, \$50,000 to provide outside computer support services for the Tahoe Environmental Geographic Information System.	
3125-001-001—For support of California Tahoe Conservancy	788,000
Schedule:	
(a) 10-Tahoe Conservancy	2,244,000
(b) Reimbursements.....	—33,000

Item	Amount
(cx) Amount payable from Outer Continental Shelf Lands Act, Section 8(g) Revenue Fund (Item 3125-001-164)	-326,000
(cy) Amount payable from Habitat Conservation Fund (Item 3125-001-262)	-17,000
(d) Amount payable from the Tahoe Conservancy Fund (Item 3125-001-568)	-170,000
(e) Amount payable from the Lake Tahoe Acquisitions Fund (Item 3125-001-720)	-910,000
3125-001-164—For support of California Tahoe Conservancy, for payment to Item 3125-001-001, payable from the Outer Continental Shelf Land Act, Section 8(g) Revenue Fund.....	326,000
3125-001-262—For support of California Tahoe Conservancy, for payment to Item 3125-001-001, payable from the Habitat Conservation Fund	17,000
Provisions:	
1. Funds appropriated by this item shall be used for purposes consistent with the requirements of the California Environmental License Plate Fund and the Habitat Conservation Fund.	
3125-001-568—For support of California Tahoe Conservancy, for payment to Item 3125-001-001, payable from the Tahoe Conservancy Fund.....	170,000
Provisions:	
1. Of this amount, pursuant to Section 66908.3 of the Government Code, the conservancy shall pay to the County of Placer, \$39,795.01 and to the County of El Dorado, \$2,704.99.	
2. Fifty percent (50%) of the amount appropriated under Provision 1 above shall be used by the Counties of Placer and El Dorado for soil erosion control projects in the Lake Tahoe region, as defined in Section 66905.5 of the Government Code.	
3125-001-720—For support of California Tahoe Conservancy, for payment to Item 3125-001-001, payable from the Lake Tahoe Acquisitions Fund	910,000
3125-101-164—For local assistance, California Tahoe Conservancy, Program 10—Tahoe Conservancy, for soil erosion control grants	1,945,000

Item	Amount
Provisions:	
1. Notwithstanding any other provision of law, this appropriation shall be available for encumbrance until June 30, 1997.	
3125-301-164—For capital outlay, California Tahoe Conservancy, payable from the Outer Continental Shelf Lands Act, Section 8(g) Revenue Fund.....	2,650,000
Schedule:	
(a) 50.30.002-Land acquisition and site improvements—public access and recreation pursuant to Title 7.42 (commencing with Section 66905) of the Government Code.	594,000
(b) 50.30.004-Land acquisition and site improvements—stream environment zones and watershed restorations pursuant to Title 7.42 (commencing with Section 66905) of the Government Code.	311,000
(c) 50.30.005-Land acquisition pursuant to Section 66907 of the Government Code.....	1,900,000
(d) Reimbursements.....	-155,000
Provisions:	
1. The acquisition of real property or interests with funds appropriated by this item is not subject to the Property Acquisition Law when the value is \$250,000 or less, and, therefore, is not subject to Public Works Board approval.	
2. The amount appropriated by this item is available for expenditure for capital outlay or for local assistance. Expenditures of funds for grants to public agencies and grants to nonprofit organizations, as authorized by subdivision (a) of Section 66907.7 of the Government Code, are exempt from Public Works Board review.	
3125-301-262—For capital outlay, California Tahoe Conservancy, payable from the Habitat Conservancy Fund.....	483,000
Schedule:	
(a) 50.30.003-Acquisition, restoration, and enhancement of habitat	483,000
Provisions:	
1. The funds appropriated in this item shall be used for purposes consistent with the requirements of the California Environmental License Plate Fund and the Habitat Conservation Fund.	

Item	Amount
2. The acquisition of real property or interests with funds appropriated by this item is not subject to the Property Acquisition Law when the value is less than \$250,000 and, therefore, is not subject to Public Works Board approval.	
3. The amount appropriated by this item is available for expenditure for capital outlay or for local assistance. Expenditures of funds for grants to public agencies and grants to nonprofit organizations, as authorized by subdivision (a) of Section 66907.7 of the Government Code, are exempt from Public Works Board review.	
3125-490—Reappropriation, California Tahoe Conservancy. The balance of the appropriations provided in the following citations are reappropriated for the purposes provided for in those appropriations, and shall be available for encumbrance and expenditure until June 30, 1995:	
140—California Environmental License Plate Fund	
(1) Item 3125-101-140, Budget Act of 1988, as reappropriated by Item 3125-490, Budget Act of 1989.	
235—Public Resources Account, Cigarette and Tobacco Products Surtax Fund	
(1) Item 3125-301-235, Budget Act of 1989.	
890—Federal Trust Fund	
(1) Item 3125-101-890, Budget Act of 1986, as reappropriated by Item 3125-490, Budget Act of 1989.	
(2) Item 3125-301-890, Budget Act of 1987.	
3340-001-001—For support of California Conservation Corps.....	27,978,000
Schedule:	
(a) 10-Training and Work Program ...	50,151,000
(b) 20.01-Administration	4,458,000
(c) 20.02-Distributed Administration .	-4,458,000
(d) Reimbursements.....	-14,690,000
(e) Amount payable from the Public Resources Account, Cigarette and Tobacco Products Surtax Fund (Item 3340-001-235)	-234,000
(f) Amount payable from the Energy Resources Programs Account, General Fund (Item 3340-001-465)	-5,607,000

Item	Amount
(g) Amount payable from the Federal Trust Fund (Item 3340-001-890) ..	-1,642,000
Provisions:	
1. Notwithstanding the provisions of Section 14316 of the Public Resources Code, the Department of Finance may make a loan from the General Fund to this item, in an amount not to exceed a cumulative total of \$3,000,000, to meet cash-flow needs due to delays in collecting reimbursements. Any loan made by the Department of Finance pursuant to this provision shall only be made if the California Conservation Corps has a valid contract or certification signed by the client agency, which demonstrates that sufficient funds will be available to repay the loan. All money so transferred shall be repaid to the General Fund as soon as possible, but not later than one year from the date of the loan.	
3340-001-235—For support of California Conservation Corps, for payment to Item 3340-001-001, payable from the Public Resources Account, Cigarette and Tobacco Products Surtax Fund	234,000
3340-001-465—For support of California Conservation Corps, for payment to Item 3340-001-001, payable from the Energy Resources Programs Account, General Fund	5,607,000
3340-001-890—For support of California Conservation Corps, for payment to Item 3340-001-001, payable from the Federal Trust Fund	1,642,000
3360-001-033—For support of State Energy Resources Conservation and Development Commission, for payment to Item 3360-001-465, payable from the State Energy Conservation and Assistance Account, General Fund	2,052,000
Provisions:	
1. Notwithstanding Section 16304.1 of the Government Code, the funds appropriated by this item shall be available for liquidation of encumbrances until June 30, 1998.	
3360-001-044—For support of State Energy Resources Conservation and Development Commission, for payment to Item 3360-001-465, payable from the Motor Vehicle Account, State Transportation Fund .	117,000
3360-001-314—For support of State Energy Resources Conservation and Development Commission, for payment to Item 3360-001-465, payable from the Diesel Emission Reduction Fund.....	1,220,000

Item	Amount
Provisions:	
1. Notwithstanding subdivision (a) of Section 2.00 of this act, funds appropriated by this item shall be available for expenditure during the 1994-95 and 1995-96 fiscal years.	
2. Notwithstanding Section 16304.1 of the Government Code, the funds appropriated by this item shall be available for liquidation of encumbrances until June 30, 1998.	
3360-001-465—For support of State Energy Resources Conservation and Development Commission, payable from the Energy Resources Programs Account, General Fund	33,812,000
Schedule:	
(a) 100000-Personal Services	28,334,000
(b) 300000-Operating Expenses and Equipment	10,490,000
(c) Special Items of Expense	10,395,000
(1) Energy Technologies, Res, Develop and Demo Projects	1,300,000
(2) Clean Diesel Research, Development and Demo...	900,000
(3) Energy Conservation Assistance Loans	1,900,000
(5) Export Development Project	250,000
(6) School and Hospital Grants	5,000,000
(7) Certification of compliance options	25,000
(9) Host site for International Geothermal Secretariat	50,000
(12) Farm and Business Assistance	429,000
(13) International Thermonuclear Experimental Reactor Project	541,000
(d) Reimbursements	-435,000

Item	Amount
(e) Amount payable from State Energy Conservation Assistance Account (Item 3360-001-033)	-2,052,000
(f) Amount payable from the Motor Vehicle Account, State Transportation Fund (Item 3360-001-044) .	- 117,000
(g) Amount payable from the Diesel Emission Reduction Fund (Item 3360-001-314)	-1,220,000
(h) Amount payable from Energy Tech Research, Dev. & Demo Acct (Item 3360-001-479)	-1,300,000
(i) Amount payable from Local Government Geothermal Resources Revolving Subaccount (Item 3360-001-497)	- 111,000
(j) Amount payable from Petroleum Violation Escrow Account (Item 3360-001-853)	-2,012,000
(k) Amount payable from Katz Schoolbus Fund (Item 3360-001-854)	- 639,000
(l) Amount payable from the Federal Trust Fund (Item 3360-001-890) ..	-6,955,000
(m) Amount payable from D.O.E. Consent Order Proceeds Account, Special Deposit Fund (Item 3360-001-942)	- 541,000
(n) Amount payable from Energy Resources Programs Account, General Fund (Public Resources Code Section 25402.1)	- 25,000

Provisions:

1. Notwithstanding any other provision of law, the funds appropriated in categories (c) (1), (c) (2) and (c) (8) may be used by the commission to provide grants, loans, or repayable research contracts. When the commission evaluates proposals, a high-point scoring method may be used in lieu of lowest cost. Repayment terms shall be determined by the commission.

Item	Amount
3360-001-479—For support of State Energy Resources Conservation and Development Commission, for payment to Item 3360-001-465, payable from the Energy Technologies Research, Development and Demonstration Account for purpose of funding loans, grants and contracts to provide a variety of research projects.....	1,300,000
Provisions:	
1. Notwithstanding subdivision (a) of Section 2.00 of this act, funds appropriated by this item shall be available for expenditure during the 1994-95 and 1995-96 fiscal years.	
2. Notwithstanding Section 16304.1 of the Government Code, the funds appropriated by this item shall be available for liquidation of encumbrances until June 30, 1998.	
3360-001-497—For support of State Energy Resources Conservation and Development Commission, for payment to Item 3360-001-465, payable from the Local Government Geothermal Resources Revolving Subaccount, General Fund	111,000
Provisions:	
1. Notwithstanding Section 3822.2 of the Public Resources Code, the State Energy Resources Conservation and Development Commission may expend \$111,000 for facilitating a host site in California for the International Geothermal Association Secretariat.	
3360-001-853—For support of State Energy Resources Conservation and Development Commission, for payment to Item 3360-001-465, payable from Petroleum Violation Escrow Account	2,012,000
Provisions:	
1. Notwithstanding Section 2.00 of this act, funds appropriated by this item shall be available for expenditure during the 1994-95 and 1995-96 fiscal years.	
2. Notwithstanding Section 16304.1 of the Government Code, the funds appropriated by this item shall be available for liquidation of encumbrances until June 30, 1998.	
3360-001-854—For support of the State Energy Resources and Development Commission, payable from the Katz Schoolbus Fund created by Section 17911 of the Education Code, for payment to Item 3360-001-465	639,000

Item	Amount
3360-001-890—For support of State Energy Resources Conservation and Development Commission, for payment to Item 3360-001-465, payable from the Federal Trust Fund	6,955,000
3360-001-942—For support of the State Energy Resources Conservation and Development Commission, for payment to Item 3360-001-465, payable from the D.O.E. Consent Order Proceeds Account, Special Deposit Fund.....	541,000
Provisions:	
1. Notwithstanding Section 16304.1 of the Government Code, funds appropriated by this item shall be available for liquidation of encumbrances until June 30, 1998.	
3360-101-497—For local assistance, State Energy Resources Conservation and Development Commission, pursuant to the provisions of Public Resources Code Section 3822, payable from the Local Government Geothermal Resources Revolving Subaccount, General Fund	3,100,000
Provisions:	
1. Notwithstanding subdivision (a) of Section 2.00 of this act, funds appropriated by this item shall be available for expenditure during the 1994-95 and 1995-96 fiscal years.	
2. Notwithstanding Section 16304.1 of the Government Code, the funds appropriated by this item shall be available for liquidation of encumbrances until June 30, 1998.	
3360-490—Reappropriation, State Energy Resources Conservation and Development Commission. The balance of the appropriations provided in the following citations are reappropriated for the purposes provided for in those appropriations, and shall be available for encumbrance and expenditure until June 30, 1995:	
853—Petroleum Violation Escrow Account:	
(1) Chapter 1159, Statutes of 1993, Section 6.	
854—Katz Schoolbus Fund:	
(1) Item 3360-001-854, Budget Act of 1993.	
(2) Chapter 957, Statutes of 1991.	
3360-491—Reappropriation, State Energy Resources Conservation and Development Commission. The balance of the appropriation provided in the following citation is reappropriated for the purposes provided in that appropriation, and shall be avail-	

Item

Amount

able for encumbrance and expenditure until December 31, 1994:

853—Petroleum Violation Escrow Account:

- (1) Item 3360-001-853, Budget Act of 1992, as reappropriated by Item 3360-495, Budget Act of 1993.

3360-492—Extension of liquidation period, State Energy Resources Conservation and Development Commission. Notwithstanding any other provisions of law, the funds appropriated in the following citations shall be available for liquidation until June 30, 1995:

465—Energy Resources Programs Account:

- (1) Item 3360-001-465, Budget Act of 1990, Siting and Permit Assistance Program, as reappropriated by Item 3360-492, Budget Act of 1993.
- (2) Item 3360-001-465, Budget Act of 1990, International Energy Development Grant Program, as reappropriated by Item 3360-492, Budget Act of 1993.
- (3) Item 3360-001-465, Budget Act of 1991, Export Development Project.

497—Local Government Geothermal Resources Revolving Subaccount, General Fund:

- (1) Item 3360-101-497, Budget Act of 1990. Notwithstanding any other provisions of law, the funds appropriated in the following citations shall be available for liquidation until June 30, 1996:

479—Energy Technologies Research, Development and Demonstration Account:

- (1) Item 3360-001-479, Budget Act of 1988, as reappropriated by Item 3360-491, Budget Act of 1989.
- (2) Item 3360-001-479, Budget Act of 1991.

Notwithstanding any other provisions of law, the funds appropriated in the following citations shall be available for liquidation until June 30, 1997:

853—Petroleum Violation Escrow Account:

- (1) Chapter 1341, Statutes of 1986, as reappropriated by Item 3360-490, Budget Act of 1992.

Notwithstanding any other provisions of law, the funds appropriated in the following citations shall be available for liquidation until June 30, 1998:

853—Petroleum Violation Escrow Account:

- (1) Chapter 1159, Statutes of 1993, Section 6.

3460-001-001—For support of Colorado River Board of California.....

211,000

Item	Amount
Schedule:	
(a) 10-Protection of California's Colorado River Rights and Interests ..	996,000
(b) Reimbursements.....	- 772,000
(c) Amount payable from the California Environmental License Plate Fund (Item 3460-001-140)	- 13,000
3460-001-140—For support of Colorado River Board, for payment to Item 3460-001-001, payable from the California Environmental License Plate Fund.....	13,000
Provisions:	
1. The funds appropriated by this item are for the Salinity Control Forum.	
3480-001-001—For support of Department of Conservation	14,699,000
Schedule:	
(a) 10-Geologic Hazards and Mineral Resources Conservation	12,929,000
(b) 20-Oil, Gas, and Geothermal Protection.....	10,831,000
(c) 30-Special Services for Resources Protection	1,190,000
(d) 40.01-Administration	6,927,000
(e) 40.02-Distributed Administration .	- 6,927,000
(f) 50-Beverage Container Recycling and Litter Reduction Program....	24,923,000
(g) Reimbursements.....	- 2,714,000
(h) Amount payable from the Surface Mining and Reclamation Account, General Fund (Item 3480-001-035)	- 1,421,000
(i) Amount payable from the State Highway Account, State Transportation Fund (Item 3480-001-042)	- 12,000
(j) Amount payable from the California Beverage Container Recycling Fund (Item 3480-001-133) ...	- 24,923,000
(jx) Amount payable from the California Environmental License Plate Fund (Item 3480-001-140) ..	- 56,000
(k) Amount payable from the Soil Conservation Fund (Item 3480-001-141)	- 961,000

Item	Amount
(l) Amount payable from Hazardous and Idle-Deserted Well Abatement Fund (Public Resources Code Section 3206)	-50,000
(m) Amount payable from Mine Reclamation Account (Item 3480-001-336)	-1,138,000
(n) Amount payable from Seismic Hazards Identification Fund (Item 3480-001-338)	-919,000
(o) Amount payable from the Strong Motion Instrumentation Special Fund (Item 3480-001-398)	-2,334,000
(p) Amount payable from the Federal Trust Fund (Item 3480-001-890) ..	-646,000
Provisions:	
1. The Director of Conservation may expend, from the amount appropriated to the Division of Oil, Gas, and Geothermal Resources, up to \$10,000 to support activities at the West Kern Oil Museum.	
3480-001-035—For support of Department of Conservation, for payment to Item 3480-001-001, payable from the Surface Mining and Reclamation Account, General Fund	1,421,000
3480-001-042—For support of Department of Conservation, for payment to Item 3480-001-001, payable from the State Highway Account, State Transportation Fund.....	12,000
Provisions:	
1. The funds appropriated by this item are for the state's share of the California Institute of Technology seismograph network.	
3480-001-133—For support of Department of Conservation, for payment to Item 3480-001-001, payable from the California Beverage Container Recycling Fund.....	24,923,000
3480-001-140—For support of Department of Conservation, for payment to 3480-001-001, payable from the California Environmental License Plate Fund	56,000
3480-001-141—For support of Department of Conservation, for payment to Item 3480-001-001, payable from the Soil Conservation Fund.....	961,000
3480-001-336—For support of Department of Conservation, for payment to Item 3480-001-001, payable from the Mine Reclamation Account.....	1,138,000

Item	Amount
3480-001-338—For support of Department of Conservation, for payment to Item 3480-001-001, payable from the Seismic Hazards Identification Fund	919,000
3480-001-398—For support of Department of Conservation, for payment to Item 3480-001-001, payable from the Strong Motion Instrumentation Special Fund.....	2,334,000
3480-001-890—For support of Department of Conservation, for payment to Item 3480-001-001, payable from the Federal Trust Fund	646,000
3540-001-001—For support of Department of Forestry and Fire Protection	247,539,000
Schedule:	
(a) 100000-Personal services.....	268,944,833
(b) 300000-Operating expenses and equipment	112,164,167
(c) Reimbursements	-89,545,000
(d) Amount payable from the General Fund (Item 3540-006-001)	-14,992,000
(e) Amount payable from the California Environmental License Plate Fund (Item 3540-001-140)	-4,296,000
(ex) Amount payable from the Outer Continental Shelf Land Act (Item 3540-001-164)	-1,169,000
(f) Amount payable from the Public Resources Account, Cigarette and Tobacco Products Surtax Fund (Item 3540-001-235)	-334,000
(g) Amount payable from the Professional Forester Registration Fund (Item 3540-001-300)	-170,000
(h) Amount payable from the California Wildlife, Coastal, and Park Land Conservation Fund of 1988 (Item 3540-001-786)	-37,000
(i) Amount payable from the Federal Trust Fund (Item 3540-001-890) ..	-6,149,000
(j) Amount payable from the Forest Resources Improvement Fund (Item 3540-001-928)	-16,851,000
(k) Amount payable from the Timber Tax Fund (Item 3540-001-965)	-27,000
Provisions:	
1. Notwithstanding any other provision of law, the Director of Finance may authorize temporary or permanent redirection of funds from this	

Item	Amount
<ul style="list-style-type: none"> item for purposes of emergency fire suppression and detection costs and related emergency revegetation costs. 2. Notwithstanding any other provision of law, the Department of Forestry and Fire Protection is authorized to collect up to \$445,000 in reimbursements from nursery sale receipts for State Nursery operations. 3. Notwithstanding any other provision of law, the Department of Forestry and Fire Protection shall remit as General Fund revenue any nursery sale receipts collected during the period July 1, 1994, through June 30, 1995, in excess of the amount needed to reimburse the costs of operating the State Nursery. 4. Of the funds appropriated in Schedules (a) and (b), an amount not to exceed \$5,008,000 shall be available to provide one-time additional funding to mitigate the impact of an anticipated severe 1994 fire season. 5. Of the funds appropriated in Schedules (a) and (b), \$1,283,000 shall be available to provide ongoing additional seasonal fire fighters to bolster the initial attack capabilities of the Department of Forestry and Fire Protection during the anticipated severe 1994 fire season and future fire seasons. 	
3540-001-140—For support of Department of Forestry and Fire Protection, for payment to Item 3540-001-001, payable from the California Environmental License Plate Fund.....	4,296,000
3540-001-164—For support of the Department of Forestry and Fire Protection, for payment to Item 3540-001-001, payable from the Outer Continental Shelf Lands Act, Section 8(g) Revenue Fund.....	1,169,000
3540-001-235—For support of Department of Forestry and Fire Protection, for payment to Item 3540-001-001, payable from the Public Resources Account, Cigarette and Tobacco Products Surtax Fund	334,000
3540-001-300—For support of Department of Forestry and Fire Protection, for payment to Item 3540-001-001, payable from the Professional Forester Registration Fund	170,000

Item	Amount
CALIFORNIA WILDLIFE, COASTAL, AND PARK LAND CONSERVATION PROGRAM	
3540-001-786—For support of Department of Forestry and Fire Protection, for payment to Item 3540-001-001, payable from the California Wildlife, Coastal, and Park Land Conservation Fund of 1988 for the California Wildlife, Coastal, and Park Land Conservation Program	37,000
3540-001-890—For support of Department of Forestry and Fire Protection, for payment to Item 3540-001-001, payable from the Federal Trust Fund	6,149,000
3540-001-928—For support of Department of Forestry and Fire Protection, for payment to Item 3540-001-001, payable from the Forest Resources Improvement Fund	16,851,000
Provisions:	
1. Notwithstanding any other provision of law, \$1,573,000 of the amount appropriated in this item shall be available for forest wildlife habitat assessment, biodiversity, forest and rangeland and research, and forest and range resources assessment programs.	
3540-001-965—For support of Department of Forestry and Fire Protection, for payment to Item 3540-001-001, payable from the Timber Tax Fund	27,000
3540-006-001—For support of Department of Forestry and Fire Protection, for payment to Item 3540-001-001, payable from the General Fund	14,992,000
Provisions:	
1. The funds appropriated by this item shall be available for emergency fire suppression and detection costs and related emergency revegetation costs and may be used for these purposes to reimburse the main support appropriation (Item 3540-001-001) only upon approval by the Director of Finance.	
2. The Director of Forestry and Fire Protection shall furnish quarterly reports on expenditures for emergency fire suppression activities to the Director of Finance, as well as to the chairperson of the committee of each house which considers appropriations and to the Chairperson of the Joint Legislative Budget Committee.	

Item	Amount
3540-011-928—For transfer to the General Fund, no more than the amount of nursery sale receipts collected during the period July 1, 1994, through June 30, 1995, for the actual costs of State Nursery operations, payable from the Forest Resources Improvement Fund	(445,000)

**CALIFORNIA WILDLIFE, COASTAL, AND
PARK LAND CONSERVATION PROGRAM**

3540-101-786—For local assistance, Department of Forestry and Fire Protection, Program 12.10-Resources Protection and Improvement, payable from the California Wildlife, Coastal, and Park Land Conservation Fund of 1988 for the California Wildlife, Coastal, and Park Land Conservation Program.....	633,000
3540-101-890—For local assistance, Department of Forestry and Fire Protection, Program 12.10-Resources Protection and Improvement, payable from the Federal Trust Fund	2,072,000
3540-301-754—For capital outlay, Department of Forestry and Fire Protection, payable from the Public Safety Bond (1994)	19,760,000
Schedule:	
(1) 30.20.015 Sonoma Unit Ranger Headquarters—Working Drawings, Construction, Equipment....	897,000
(2) 30.10.040 Silverado Forest Fire Station—Relocation—Preliminary Plans	78,000
(3) 30.10.045 Lake-Napa Ranger Unit Headquarters—Replace Emergency Command Center—Preliminary Plans	50,000
(4) 30.10.050 Rohnerville Air Attack Base—Site Improvement/Helicopter Storage—Preliminary Plans	74,000
(5) 30.20.020 Lassen-Modoc Ranger Unit Headquarters—Replace Fire Apparatus Repair Shop—Preliminary Plans	45,000
(6) 30.40.010 Esperanza Forest Fire Station—Fire Station Replacement—Preliminary Plans	65,000

Item	Amount
(7) 30.40.080 Coalinga Forest Fire Station—Relocation—Preliminary Plans	98,000
(8) 30.40.085 Amador—El Dorado Ranger Unit Headquarters—Relocate Administration Building—Preliminary Plans	60,000
(9) 30.40.090 Columbia Air Attack Base—Replace Barracks/Construct Hangar—Preliminary Plans	95,000
(10) 30.50.040 CDF Academy-Classroom Complex—Preliminary Plans	65,000
(11) 30.60.010 Departmentwide—Opportunity Purchases and Appraisals—Acquisition.....	2,146,000
(12) 30.60.030 Departmentwide—Site Search and Environmental Impact Report.....	515,000
(13) 30.80.000 Minor Capital Outlay...	5,572,000
(14) 30.60.015 Statewide: Construct Telecommunication Towers and Vaults, Phase I—Preliminary Plans, Working Drawings and Construction	10,000,000
Provisions:	
1. Of the funds appropriated in this item, an amount not to exceed \$1,000,000 may be transferred to category (a) of Item 3540-001-001 for costs of preliminary plans, working drawings, construction, contract administration, and other work activities to be performed by Department of Forestry and Fire Protection personnel in completion of the projects.	
3560-001-001—For support of State Lands Commission ..	9,231,000
Schedule:	
(a) 10-Mineral Resources Management	6,688,000
(b) 20-Land Management.....	6,159,000
(c) 30.01-Executive and Administration	2,587,000
(d) 30.02-Distributed Administration .	—2,587,000
(e) 40-Marine Facilities Management	4,425,000
(f) Reimbursements.....	—2,853,000

Item	Amount
(g) Amount payable from the Oil Spill Prevention and Administration Fund (Item 3560-001-320)	-5,003,000
(h) Amount payable from the Outer Continental Shelf Land Act Section 8(g) Revenue Fund (Item 3560-001-164)	-185,000
Provisions:	
1. Notwithstanding subdivision (d) of Section 4 of Chapter 138 of the Statutes of 1964, 1st Extraordinary Session, all commission costs for administering Long Beach Tidelands, exclusive of any Attorney General charges, shall be included in revenues deposited into the General Fund pursuant to paragraph (2) of subdivision (a) of Section 6217 of the Public Resources Code.	
2. All costs incurred to manage State school land shall be deducted from the revenues produced by those lands and deposited into the General Fund pursuant to Section 24412 of the Education Code.	
3560-001-164—For support of State Lands Commission, for payment to Item 3560-001-001, payable from the Outer Continental Shelf Land Act, Section 8(g) Revenue Fund.....	185,000
3560-001-320—For support of State Lands Commission, for payment to Item 3560-001-001, payable from the Oil Spill Prevention and Administration Fund	5,003,000
Provisions:	
1. None of the funds appropriated in this item may be expended to monitor or inspect marine bunkering operations from barges or any marine lightering operations.	
3580-001-001—For support of Seismic Safety Commission	662,000
Schedule:	
(a) 10-Seismic Safety Commission.....	1,908,000
(b) Reimbursements.....	-472,000
(c) Amount payable from the Earthquake Safety and Public Building Rehabilitation Fund of 1990 (Item 3580-011-768)	-774,000
3580-011-768—For support of the Seismic Safety Commission, for payment to Item 3580-001-001, payable from the Earthquake Safety and Public Building Rehabilitation Bond Fund of 1990.....	774,000

Item	Amount
3600-001-001—For support of Department of Fish and Game, for payment to Item 3600-001-200, payable from the General Fund	3,126,000
3600-001-140—For support of Department of Fish and Game, for payment to Item 3600-001-200, payable from the California Environmental License Plate Fund	10,648,000
3600-001-200—For support of Department of Fish and Game payable from the Fish and Game Preservation Fund	73,506,000
Schedule:	
(a) 10-Enforcement of Laws and Regulations	30,737,000
(b) 15-Legal Services	513,000
(c) 35-Wildlife and Natural Heritage Management	31,262,000
(d) 55-Fisheries Management	58,498,000
(e) 60-Environmental Services	29,338,000
(f) 65-Oil Spill Prevention and Response Program	16,656,000
(g) 70.01-Administration	28,400,000
(h) 70.02-Distributed Administration	—28,400,000
(i) Reimbursements	—17,082,000
(j) Amount payable from the General Fund (Item 3600-001-001)	—3,126,000
(k) Amount payable from the California Environmental License Plate Fund (Item 3600-001-140)	—10,648,000
(kk) Amount payable from the Fish and Game Preservation Fund (Item 3600-011-200)	—2,000,000
(l) Amount payable from the Fish and Game Preservation Fund, for reimbursement to the State Department of Health Services for shellfish monitoring activities (Item 3600-031-200)	—203,000
(m) Amount payable from the Fish and Wildlife Pollution Cleanup and Abatement Account, Fish and Game Preservation Fund (Item 3600-001-207)	—421,000
(o) Amount payable from the Waterfowl Habitat Preservation Account, Fish and Game Preservation Fund (Item 3600-001-211)	—199,000

Item	Amount
(p) Amount payable from the Public Resources Account, Cigarette and Tobacco Products Surtax Fund (Item 3600-001-235)	-6,739,000
(q) Amount payable from the Oil Spill Prevention and Administration Fund (Item 3600-001-320)	-16,707,000
(r) Amount payable from the Oil Spill Response Trust Fund (Item 3600-001-321)	-7,705,000
(t) Amount payable from the Federal Trust Fund (Item 3600-001-890) ..	-28,668,000

Provisions:

1. The funds appropriated in this item may be increased with the approval of, and under the conditions set by, the Department of Finance to meet current obligations proposed to be funded in Schedules (i) and (t). The funds appropriated by this item shall not be increased until the Department of Fish and Game has a valid contract, signed by the client agency, that provides sufficient funds to finance the increased authorization. This increased authorization may not be used to expand services or create new obligations.

Reimbursements received under Schedules (i) and (t) shall be used in repayment of any funds utilized to meet current obligations pursuant to this provision.

2. Notwithstanding Section 6 of Chapter 732 of the Statutes of 1991, one million five hundred thousand dollars (\$1,500,000) shall be repaid from the Fish and Game Preservation Fund to the Off-Highway Vehicle Fund on or before June 30, 1996, and the remaining balance shall be repaid on or before June 30, 1997.
4. Funds appropriated in this item for expenditure on administration shall be redirected, if necessary, to keep the annual production of yearling steelhead and other fish at Mad River Hatchery at full capacity.
5. Of the funds appropriated by this item, \$240,000 for the operation of the "Broadbill" Patrol Boat shall be redirected to other marine enforcement of commercial and sports fishing on the North Coast. The Department of Fish and Game shall retain the staff currently operating the "Broad-

Item	Amount
bill” Patrol Boat in a comparable or equivalent position in the area.	
6. Of the funds appropriated in this item, \$35,000 shall be for the purposes of enhancing the Russian River Basin Planning program.	
7. No funds other than the amount in Schedule (b) may be expended for legal services of the Department of Fish and Game. Notwithstanding any other provision of law, no funds may be transferred into Schedule (b) of this item.	
8. Of the funds appropriated in this item to the Department of Fish and Game for external consultant and professional services, \$45,000 is for the development of a strategic plan. The strategic plan shall specify long-term strategies that will enable the department to support its ongoing and increasing operations and maintenance costs. The Department of Fish and Game shall submit the completed strategic plan to the fiscal committees of the Legislature and the Joint Legislative Budget Committee.	
3600-001-207—For support of the Department of Fish and Game, for payment to Item 3600-001-200, payable from the Fish and Wildlife Pollution Cleanup and Abatement Account, Fish and Game Preservation Fund.....	421,000
Provisions:	
1. In addition to the amount appropriated in this item, funds deposited into the Fish and Wildlife Pollution Cleanup and Abatement Account in the Fish and Game Preservation Fund , pursuant to the Southern Pacific consent decree , are hereby appropriated for the purposes set forth in the settlement documents for the Southern Pacific case. Any funds received pursuant to the Southern Pacific consent decree shall be used first to repay expenditures from the Outer Continental Shelf Lands Act, Section 8(g) Revenue fund as specified in Item 3600-001-164 of the Budget Act of 1992.	
3600-001-211—For support of the Department of Fish and Game, for payment to Item 3600-001-200, payable from the Waterfowl Habitat Preservation Account, Fish and Game Preservation Fund	199,000

Item	Amount
3600-001-235—For support of Department of Fish and Game, for payment to Item 3600-001-200, payable from the Public Resources Account, Cigarette and Tobacco Products Surtax Fund	6,739,000
3600-001-320—For support of Department of Fish and Game, for payment to Item 3600-001-200, payable from the Oil Spill Prevention and Administration Fund.....	16,707,000
3600-001-321—For support of Department of Fish and Game, for payment to Item 3600-001-200, payable from the Oil Spill Response Trust Fund	7,705,000

Provisions:

1. Of the funds appropriated by this item, \$7,630,000 is made available as a loan to the Department of Fish and Game (a) for costs related to the preparation of the Natural Resource Damage Assessment, and (b) to support ongoing civil litigation, restoration planning, restoration project implementation, recovery monitoring, and implementation of the settlement agreement associated with the Cantara spill. No more than \$2,000,000 of this loan shall be encumbered or expended by the Department of Fish and Game before the Southern Pacific consent decree relating to the Cantara spill has been ruled upon by the court or magistrate. If the court or magistrate approves the Southern Pacific consent decree, then the Department of Fish and Game shall not encumber or expend more than \$2,000,000 of this \$7,630,000 loan.
2. The loan described in Provision 1 shall be repaid from the Fish and Game Preservation Fund under conditions established by the Department of Finance. The conditions shall specify that the loan shall be repaid within 30 days after the date the Southern Pacific settlement funds are deposited in the Fish and Game Preservation Fund and that the repayment shall include interest at the rate earned by the Pooled Money Investment Account. Upon receipt of the Southern Pacific settlement funds, no further expenditures shall be made from the funds made available pursuant to Provision 1.
3. Notwithstanding Chapter 7.4 (commencing with Section 8670.1) of Division 1 of Title 2 of the Government Code, the appropriation made

Item	Amount
by this item shall not result in the imposition of uniform oil spill response fees.	
4. Notwithstanding any other provision of law, the transfer of funds during the 1993-94 fiscal year from the Oil Spill Response Trust Fund to the General Fund pursuant to Section 13.50 of Chapter 55 of the Statutes of 1993, shall not result in the imposition of fees otherwise required by Section 8670.48 of the Government Code.	
3600-001-890—For support of Department of Fish and Game, for payment to Item 3600-001-200, payable from the Federal Trust Fund	28,668,000
3600-002-200—For support of Department of Fish and Game, payable from the Fish and Game Preservation Fund, to be used exclusively for the support of the Natural Communities Conservation Planning (NCCP) Act program.....	400,000
Schedule:	
(a) 35.5-Natural Communities Conservation Planning Program	575,000
(b) Amount payable from the Public Resources Account, Cigarette and Tobacco Products Surtax Fund (Item 3600-002-235)	-175,000
Provisions:	
1. Funds appropriated in this item are for the exclusive purpose of the Natural Communities Conservation Planning Act (NCCP) Program (Ch. 10 (commencing with Sec. 2800), Div. 3, F. & G.C.)	
3600-002-235—For support of the Department of Fish and Game, for payment to Item 3600-002-200, payable from the Public Resources Account, Cigarette and Tobacco Products Surtax Fund	175,000
3600-011-001—For support of Department of Fish and Game (reimbursement of free fishing licenses), for transfer to the Fish and Game Preservation Fund, payable from the General Fund	17,000
3600-011-200—For support of Department of Fish and Game, for payment to Item 3600-001-200, payable from the Fish and Game Preservation Fund	2,000,000
Provisions:	
1. This item shall be funded from moneys received by the Department of Fish and Game from the Southern Pacific consent decree relating to the Cantara spill and deposited in the Fish and Game Preservation Fund. Of the amount	

Item	Amount
<p>thereby made available under this item, the department shall first repay the amounts provided to the department pursuant to Provision 1 of Item 3600-001-321, and the remaining amount of that \$2,000,000 shall be available, for restoration planning, restoration project implementation, recovery monitoring, and implementing the settlement agreement related to the Cantara spill.</p> <p>3600-011-321—For transfer by the Controller from the Oil Spill Response Trust Fund to the Fish and Game Preservation Fund as of June 30, 1994.....</p> <p>Provisions:</p> <ol style="list-style-type: none"> 1. The transfer made by this item is a loan to the Department of Fish and Game to reimburse the department for costs incurred related to the Cantara Spill. 2. The loan described in Provision 1 shall be repaid from the Fish and Game Preservation Fund to the Oil Spill Response Trust Fund under conditions established by the Department of Finance. The conditions shall specify that the loan shall be repaid within 30 days after the date the Amvac settlement funds are deposited in the Fish and Game Preservation Fund and that the repayment shall include interest at the rate earned by the Pooled Money Investment Account. 3. Notwithstanding Chapter 7.4 (commencing with Section 8670.1) of Division 1 of Title 2 of the Government Code, the transfer made by this item shall not result in the imposition of uniform oil spill response fees. 4. If Amvac settlement funds were deposited in the Fish and Game Preservation Fund prior to June 30, 1994, no funds shall be transferred pursuant to this item for the loan. 	(2,000,000)
<p>3600-031-200—For support of Department of Fish and Game, for payment to Item 3600-001-200, for reimbursement to the State Department of Health Services for shellfish monitoring activities, payable from the Fish and Game Preservation Fund.....</p>	203,000
<p>3600-101-200—For local assistance, Department of Fish and Game, payable from the Fish and Game Preservation Fund for the purpose of funding the Monterey Bay Salmon and Trout Project</p>	52,000

Item	Amount
3600-101-320—For local assistance, Department of Fish and Game, Program 65-Oil Spill Prevention and Response, payable from the Oil Spill Prevention and Administration Fund.....	750,000
3600-101-321—For local assistance, Department of Fish and Game, Program 65—Oil Spill Response Trust Fund.....	2,214,000
3600-301-200—For capital outlay, Department of Fish and Game, payable from the Fish and Game Preservation Fund.....	2,185,000
Schedule:	
(1) 90.07.100-Minor projects.....	1,554,000
(2) 90.93.008-Region 2 Complex: Domestic Water Supply—construction	444,000
(3) 90.93.004-Mojave River Hatchery: Waterwell replacement—Preliminary plans, working drawings	72,000
(4) 90.94.001-Crystal Lake Hatchery: Refurbish/Expand hatchery bldg —Preliminary plans, working drawings	77,000
(5) 90.94.003-Hot Creek Hatchery: Modify settling pond—Preliminary plans, working drawings, construction	289,000
(6) 90.94.004-Black Rock Hatchery: Construct hatchery building —Preliminary plans, working drawings	92,000
(7) 90.94.005-Fish Springs Hatchery: Freezer/Storage replacement — Preliminary plans, working drawings	82,000
(8) 90.94.002-Crystal Lake Hatchery: Raceways—Preliminary plans, working drawings.....	150,000
(9) 90.92.001-Suisun Marsh Mitigation Lands: Boynton/Cordelia Wetlands development (B-1)— Preliminary plans, working drawings	60,000
(10) 90.93.001-Suisun Marsh Mitigation Lands: Cordelia/Goodyear (B-2)—Acquisition	300,000
(11) Reimbursements-Minor projects.	-575,000

Item	Amount
(12) Reimbursements-Suisun Marsh Mitigation Lands: Bonyton/Cordelia Wetlands development—Preliminary plans, working drawings	-60,000
(13) Reimbursements-Suisun Marsh Mitigation Lands: Cordelia/Goodyear—Acquisition.....	-300,000
Provisions:	
1. In the event that federal reimbursements are received for funds appropriated in category (I), the Department of Finance may authorize the transfer of authorization from this item to the Federal Trust Fund.	
3600-301-320—For capital outlay, Department of Fish and Game, payable from the Oil Spill Prevention and Administration Fund.....	15,000
Schedule:	
(1) 90.07.100-Minor projects.....	15,000

**CALIFORNIA WILDLIFE, COASTAL, AND PARK LAND
CONSERVATION PROGRAM**

3600-301-786—For capital outlay, Department of Fish and Game, payable from the California Wildlife, Coastal, and Park Land Fund of 1988.....	220,000
Schedule:	
(a) 90.94.040-South Fork, Kern River, Fish Barrier improvement project construction	220,000
3600-490—Reappropriation, Department of Fish and Game. The balance of the appropriations provided in the following citations are reappropriated for the purposes (and subject to the limitations unless otherwise specified) provided for in the appropriations.	
200—Fish and Game Preservation Fund	
Item 3600-301-200, Budget Act of 1992	
(1) 90.07.100-Minor Projects, previously reappropriated by Item 3600-490, Budget Act of 1993	
(7) 90.92.002-Fish Springs Hatchery Water Well-Construction	
Item 3600-301-200, Budget Act of 1993	
(1) 90.07.100-Minor Projects	
(6) 90.93.006-Hot Creek Hatchery-Bird Enclosure-Construction	

Item	Amount
320—Oil Spill Prevention and Administration Fund Item 3600-301-320, Budget Act of 1993 (1) 90.07.100-Minor Projects	
3640-001-140—For support of Wildlife Conservation Board, for payment to Item 3640-001-447, payable from the California Environmental License Plate Fund.....	276,000
3640-001-262—For support of Wildlife Conservation Board, for payment to Item 3640-001-447, payable from the Habitat Conservation Fund	4,209,000
Provisions:	
1. Of the amount appropriated in this item, \$165,000 is provided in accordance with provisions of the California Wildlife Protection Act of 1990, and shall be used for the administrative costs associated with Proposition 117.	
2. Of the amount appropriated by this item, \$934,000 shall be available to the Department of Water Resources pursuant to the Wildlife Conservation Law of 1947 to fund the Upper Sacramento River Restoration Plan (\$740,000) and the Sacramento-San Joaquin River Riparian Purchases (\$194,000) consistent with the California Environmental License Plate Fund and the Habitat Conservation Fund.	
3. Of the amount appropriated by this item, \$991,000 shall be available to the Department of Fish and Game pursuant to the Wildlife Conservation Law of 1947 to fund the Salmon Habitat Program.	
4. Of the amount appropriated by the item, \$1,339,000 shall be available to the Department of Fish and Game for the fishery restoration grants program consistent with the California Wildlife, Coastal, and Park Land Conservation Fund of 1988 and the Habitat Conservation Fund.	
5. Of the amount appropriated by this item, \$780,000 shall be available to the Department of Fish and Game for the comprehensive wetlands program consistent with the requirements of the Public Resources Account, Cigarette and Tobacco Products Surtax Fund and the Habitat Conservation Fund.	
3640-001-447—For support of Wildlife Conservation Board, payable from the Wildlife Restoration Fund.	621,000

Item	Amount
Schedule:	
(a) 10-Wildlife Conservation Board ...	5,323,000
(b) Amount payable from the California Wildlife, Coastal, and Park Land Conservation Fund of 1988 Section 5907 of the Public Resources Code	-217,000
(c) Amount payable from the California Environmental License Plate Fund (Item 3640-001-140)	-276,000
(d) Amount payable from the Habitat Conservation Fund (Item 3640-001-262)	-4,209,000
3640-301-262—For capital outlay, Wildlife Conservation Board, payable from the Habitat Conservation Fund.....	8,509,000
Provisions:	
1. The funds appropriated by this item for the purposes described in Provisions 5, 9, 13, and 14 of this item are provided in accordance with the Wildlife Conservation Law of 1947 and, therefore, shall not be subject to Public Works Board Review.	
3. The amount appropriated in this item is available for expenditure for capital outlay or local assistance.	
5. Of the amount appropriated by this item, \$1,595,000 shall be used for purposes consistent with the requirements of the Wildlife and Natural Areas Conservation Fund and the Habitat Conservation Fund.	
9. Of the amount appropriated by this item, \$3,013,000 shall be used for purposes consistent with the requirements of the Unallocated Account, Cigarette and Tobacco Products Surtax Fund, and the Habitat Conservation Fund.	
11. Of the funds appropriated by this item, \$1,193,000 shall be available to the Department of Fish and Game for the Mobile Fish Hatchery (\$219,000), Pine Creek Wild Trout Angling Access Acquisition (\$874,000), and North Fork Kern River Pass Modification (\$100,000) projects, consistent with the California Wildlife, Coastal and Park Land Conservation Fund and the Habitat Conservation Fund.	
12. Of the funds appropriated by this item, \$519,000 shall be available to the Department	

Item	Amount
<p>of Fish and Game for the Gray Lodge Seasonal Wetland (\$66,000), Joice Island Unit Pump (\$150,000), Brood Pond Grizzley (\$40,000), Salt Slough Pump (\$68,000), China Island Pump (\$125,000), and "P" Line Water Mendota (\$70,000) projects, consistent with the requirements of the Public Resources Account, Cigarette and Tobacco Products Surtax Fund, and the Habitat Conservation Fund.</p> <p>13. Of the funds appropriated by this item, \$1,721,000 shall be used for riparian and fishery habitat acquisition in Mono County, on behalf of the Department of Fish and Game, consistent with the requirements of the California Wildlife, Coastal and Park Land Conservation Fund and the Habitat Conservation Fund.</p> <p>14. Of the amount appropriated in this item, \$1,600,000 shall be used for the acquisition of wetlands and adjacent uplands in the Grasslands area of Merced County.</p> <p>15. Of the amount appropriated in this item, \$500,000 shall be used for the purchase of Toner and Sandstone Canyons; \$200,000 shall be used for acquisition and restoration of stream, riparian, and wetlands habitat in Napa and Sonoma Counties; and \$100,000 shall be used for marsh restoration in Lomita Park.</p>	
<p>3640-301-447—For capital outlay, Wildlife Conservation Board, payable from the Wildlife Restoration Fund, in lieu of the appropriation made by the Wildlife Conservation Law of 1947</p>	749,000
<p>Schedule:</p> <p>(1) 80.10.010-Minor Projects..... 749,000</p> <p>(2) 80.10.030-Land Acquisitions..... 750,000</p> <p>(3) Reimbursements..... -750,000</p>	
<p>Provisions:</p> <p>1. The funds appropriated in this item are provided in accordance with the provisions of the Wildlife Conservation Law of 1947 and, therefore, shall not be subject to Public Works Board review.</p> <p>2. The amount appropriated in this item is available for expenditure for capital outlay or local assistance.</p>	

Item	Amount
3640-311-140—For transfer by the Controller from the California Environmental License Plate Fund to the Habitat Conservation Fund, as of June 30, 1994, the sum of \$1,000 or such other amount as is necessary to preclude a transfer for the 1993–94 fiscal year from the General Fund to the Habitat Conservation Fund pursuant to Section 2796 of the Fish and Game Code.....	(1,000)
Provisions:	
1. The funds transferred by this item shall be used for purposes consistent with the requirements of the California Environmental License Plate Fund and the Habitat Conservation Fund.	
3640-311-235—For transfer by the Controller to the Habitat Conservation Fund, payable from the Public Resources Account, Cigarette and Tobacco Products Surtax Fund.....	(3,508,000)
Provisions:	
1. The funds transferred by this item shall be used for purposes consistent with the requirements of the Public Resources Account, Cigarette and Tobacco Products Surtax Fund, and the Habitat Conservation Fund.	
3640-311-786—For transfer by the Controller to the CALIFORNIA WILDLIFE, COASTAL, AND PARK LAND CONSERVATION PROGRAM Habitat Conservation Fund, payable from the California Wildlife, Coastal, and Park Land Conservation Fund.....	5,153,000
Provisions:	
1. Notwithstanding any other provision of law, the funds transferred by this item shall be used for purposes consistent with the requirements of the California Wildlife, Coastal, and Park Land Conservation Fund and the Habitat Conservation Fund.	
2. Of the funds appropriated by this item, \$1,339,000 shall be transferred to Item 3640-001-262 for the fishery restoration grants program described in that item.	
3. Of the funds appropriated by this item, \$2,914,000 shall be transferred to Item 3640-301-262 as follows: (a) \$219,000 for the Mobile Fish Hatchery project; (b) \$874,000 for the Pine Creek Wild Trout Angling Access Acquisition project; (c) \$100,000 for the North Fork Kern River Pass Modification project; and (d)	

Item	Amount
<ul style="list-style-type: none"> \$1,721,000 for riparian and fishery habitat acquisition in Mono County. 4. Of the funds appropriated by this item, \$900,000 shall be transferred to Item 3790-301-262 for the Green Creek acquisition. 	
3640-311-787—For transfer by the Controller to the Habitat Conservation Fund, payable from the Wildlife and Natural Areas Conservation Fund	1,595,000
Provisions: <ul style="list-style-type: none"> 1. The funds transferred by this item shall be used for purposes consistent with the requirements of the Wildlife and Natural Areas Conservation Fund and the Habitat Conservation Fund. 	
3640-321-140—For transfer by the Controller to the Habitat Conservation Fund, payable from the California Environmental License Plate Fund.....	(2,434,000)
Provisions: <ul style="list-style-type: none"> 1. The funds transferred by this item shall be used for purposes consistent with the requirements of the California Environmental License Plate Fund and the Habitat Conservation Fund. 	
3680-001-516—For support of Department of Boating and Waterways, payable from the Harbors and Watercraft Revolving Fund	5,882,000
Schedule: <ul style="list-style-type: none"> (a) 10-Boating Facilities..... 4,725,000 (b) 20-Boating Operations..... 2,782,000 (c) 30-Beach Erosion Control 289,000 (d) 40.01-Administration 1,273,000 (e) 40.02-Distributed Administration . —1,273,000 (f) Reimbursements..... —15,000 (g) Amount payable from the Federal Trust Fund (Item 3680-001-890) .. —1,899,000 	
Provisions: <ul style="list-style-type: none"> 1. Notwithstanding Section 85.2 of the Harbors and Navigation Code \$289,000 of the funds appropriated in this item shall be expended for support of the Department of Boating and Waterways beach erosion control program. 	
3680-001-890—For support of Department of Boating and Waterways, for payment to Item 3680-001-516, payable from the Federal Trust Fund	1,899,000
3680-012-516—For transfer to the Habitat Conservation Fund, payable from the Harbors and Watercraft Revolving Fund.....	(1,500,000)

Item	Amount
Provisions:	
1. The funds transferred by this item shall be used for purposes consistent with the requirements of the Harbors and Watercraft Revolving Fund and the Habitat Conservation Fund.	
3680-101-516—For local assistance, Department of Boating and Waterways, payable from the Harbors and Watercraft Revolving Fund	19,631,000
Schedule:	
(a) 10-Boating Facilities.....	400,000
Launching Facility Grants.....	(200,000)
1) Ramp Extension/ Emergency Re- pairs	(200,000)
Small Craft Harbor Loans.....	(200,000)
1) Emergency Loans	(200,000)
(b) 20-Boating Operations	4,650,000
1) Boating Safety and Enforcement	(3,800,000)
2) Boating Safety Fi- nancial Assistance.	(850,000)
(c) Amount payable from the Federal Trust Fund (Item 3680-101-890) ..	-850,000
(d) For allocation to unspecified projects.....	15,431,000
Provisions:	
1. The funds appropriated in this item shall be allocated pursuant to subsequent legislation enacted in the 1993-94 Regular Session.	
Provisions:	
1. Of the funds appropriated in category (b), \$3,800,000 is for boating safety and enforcement programs pursuant to Section 663.7 of the Harbors and Navigation Code.	
2. Of the funds appropriated in category (b), \$850,000 for Boating Safety Financial Assistance shall be expended in accordance with federal law.	
3680-101-890—For local assistance, Department of Boating and Waterways, for payment to Item 3680-101-516, payable from the Federal Trust Fund	850,000
Provisions:	
1. Funds appropriated by this item shall be for grants to local governments for boating safety and law enforcement, 15 percent of which shall be allocated according to the department's discretion, and 85 percent of which shall be allo-	

Item	Amount
<p>cated by the department in accordance with the following priorities:</p>	
<p>First—To local governments eligible for state aid because they are spending all their local boating revenue on boating enforcement and safety, but are not receiving sufficient state funds to meet their calculated need as defined in Section 663.7 of the Harbors and Navigation Code.</p>	
<p>Second—To local governments that are not spending all local boating revenue on boating enforcement and safety, and whose boating revenue does not equal their calculated need. Local assistance shall not exceed the difference between the calculated need and local boating revenue.</p>	
<p>Third—To local governments whose boating revenue exceeds their need, but who are not spending sufficient local revenue to meet their calculated need.</p>	
<p>3680-121-890—For local assistance, Department of Boating and Waterways, for transfer to the Harbors and Watercraft Revolving Fund, payable from the Federal Trust Fund</p>	1,700,000
<p>Provisions:</p>	
<p>1. Notwithstanding Section 28.00, any amount in excess of the amount appropriated in Item 3680-121-890, received for reimbursement of local assistance projects that commenced and were completed in prior years, shall be transferred to the Harbors and Watercraft Revolving Fund.</p>	
<p>3680-301-516—For unspecified capital outlay projects, Department of Boating and Waterways, payable from the Harbors and Watercraft Revolving Fund</p>	5,087,000
<p>Provisions:</p>	
<p>1. The funds appropriated in this item shall be appropriated pursuant to subsequent legislation enacted in the 1993-94 Regular Session.</p>	
<p>3680-401—Notwithstanding any other provision of law or any provision of any contract or agreement to the contrary, loan payments on the loans to the County of Sonoma for or on behalf of Spud Point Marina, as authorized by Schedule (b) (8) of Item 3680-101-516 of Section 2.00 of the Budget Act of 1982, or by any provision of law administered by the Department of Boating and Waterways, shall be made once annually on or before December 1</p>	

Item	Amount
of each year until the obligation is satisfied, in the lesser of the following amounts:	
(a) An amount agreed to by the County of Sonoma and the Department of Boating and Waterways in an amendment to the existing loan agreement, which amendment is agreed to before March 1, 1995.	
(b) The lesser of the following amounts:	
(1) An amount calculated for the prior fiscal year equal to the marina's audited net income or loss plus depreciation and net accruals, as determined by the Auditor-Controller of Sonoma County, minus the annual allocation to the marina's major maintenance, renovation, and dredging fund and the annual principal payment on the loan from the California Coastal Conservancy.	
(2) The annual repayment amount under the loan agreement existing on January 1, 1995.	
3720-001-001—For support of California Coastal Commission.....	4,754,000
Schedule:	
(a) 10-Coastal Management Program... 8,304,000	
(b) 20-Coastal Energy Program..... 509,000	
(c) 30.01-Administration 1,573,000	
(d) 30.02-Distributed Administration . —1,244,000	
(e) Reimbursements..... —329,000	
(f) Amount payable from the California Environmental License Plate Fund (Item 3720-001-140) —1,215,000	
(g) Amount payable from the Federal Trust Fund (Item 3720-001-890) .. —2,014,000	
(h) Amount payable from Outer Continental Shelf Lands Act, Section 8(g) Revenue Fund (Item 3720-001-164) —830,000	
3720-001-140—For support of California Coastal Commission, for payment to Item 3720-001-001, payable from the California Environmental License Plate Fund.....	1,215,000
3720-001-164—For support of California Coastal Commission for payment to Item 3720-001-001, payable from the Outer Continental Shelf Lands Act, Section 8(g) Revenue Fund.....	830,000

Item	Amount
3720-001-890—For support of California Coastal Commission, for payment to Item 3720-001-001, payable from the Federal Trust Fund	2,014,000
3760-001-140—For support of the State Coastal Conservancy, payable from the California Environmental License Plate Fund	65,000
3760-001-235—For support of the State Coastal Conservancy, payable from the Public Resources Account, Cigarette and Tobacco Products Surtax Fund	50,000
3760-001-565—For support of State Coastal Conservancy, payable from the State Coastal Conservancy Fund of 1976.....	2,945,000
Schedule:	
(a) 15.00.000.000—Coastal Resource Development	2,890,000
(b) 25.00.000.000—Coastal Resource Enhancement.....	1,345,000
(c) 90.01.000.000—Administration and Support	1,483,000
(d) 90.02.000.000—Distributed Administration.....	-1,483,000
(e) Reimbursements.....	-6,000
(f) Amount payable from the Parklands Fund of 1980 (Item 3760-001-721)	-745,000
(g) Amount payable from the State Coastal Conservancy Fund of 1984 (Item 3760-001-730)	-539,000
3760-001-721—For support of the State Coastal Conservancy, for payment to Item 3760-001-565, payable from the Parklands Fund of 1980.....	745,000
3760-001-730—For support of the State Coastal Conservancy, for payment to Item 3760-001-565, payable from the State Coastal Conservancy Fund of 1984	539,000
3760-301-262—For capital outlay, State Coastal Conservancy, payable from the Habitat Conservation Fund.....	4,000,000
Schedule:	
(1) 80.19.025—Resource Enhancement	4,000,000
Provisions:	
1. The State Coastal Conservancy shall not enter into a grant contract with a nonprofit organization or local government for property acquisition that provides for either of the following:	

Item	Amount
<ul style="list-style-type: none"> a. A reversionary interest to the state, unless the grant contract specifies that the property shall not revert to the state without review and approval by the conservancy and the State Public Works Board. b. A state leasehold interest in property acquired by a nonstate public agency with conservancy grant funds, unless the lease terms are approved by the Director of General Services. Except to the extent above, the expenditures of funds for grants to public agencies and nonprofit organizations shall be exempt from State Public Works Board review. 	
2. The amount appropriated in this item is available for encumbrance for either capital outlay or local assistance through the 1996-97 fiscal year.	
3. Of the funds appropriated in this item, \$1,000,000 shall be used for purposes consistent with the requirements of California Environmental License Plate Fund and the Habitat Conservation Fund.	
4. Of the funds appropriated in this item, \$3,000,000 shall be used for purposes consistent with the Unallocated Account, Cigarette and Tobacco Products Surtax Fund and the Habitat Conservation Fund.	
3760-301-565—For capital outlay, State Coastal Conservancy	430,000
Schedule:	
(1) 80.93.015—Coastal Resource Development.....	430,000
Provisions:	
1. The conservancy shall not enter into a grant contract with a nonprofit organization or local government for property acquisition which provides for either of the following:	
<ul style="list-style-type: none"> a. A reversionary interest to the state, unless the grant contract specifies that the property shall not revert to the state without review and approval by the conservancy and the State Public Works Board. b. A state leasehold interest in property acquired by a nonstate public agency with conservancy grant funds, unless the lease terms are approved by the Director of General Services. Except to the extent above, the expen- 	

Item	Amount
<p>ditures of funds for grants to public agencies and nonprofit organizations shall be exempt from State Public Works Board review.</p> <p>2. The amount appropriated in this item is available for encumbrance for either capital outlay or local assistance through fiscal year 1996-97.</p> <p>3760-490—Reappropriation, State Coastal Conservancy.</p> <p>The balance of the appropriations provided in the following citations are reappropriated for capital outlay purposes, and shall be available for encumbrance and expenditure until June 30, 1995:</p> <p>730—State Coastal Conservancy Fund of 1984</p> <p>(1) Item 3760-301-730(2), Budget Act of 1991, 80.18.060, Urban Waterfront Restoration.</p> <p>748—Fish and Wildlife Habitat Enhancement Fund</p> <p>(1) Item 3760-301-748(1), Budget Act of 1991, 80.18.050 Site Reservation Program, to be used for the following purpose:</p> <p>(1) 80.18.025 Coastal Resource Enhancement Program.</p>	
<p>3790-001-001—For support of Department of Parks and Recreation</p>	47,832,000
<p>Schedule:</p> <p>(a) 12-Park Stewardship</p> <p>(b) 22-Park Development.....</p> <p>(c) 32.01-Administration</p> <p>(d) 32.02-Distributed Administration .—</p> <p>(e) Reimbursements.....</p> <p>(f) Amount payable from the California Environmental License Plate Fund (Item 3790-001-140)</p> <p>(g) Amount payable from the Public Resources Account, Cigarette and Tobacco Products Surtax Fund (Item 3790-001-235)</p> <p>(h) Amount payable from the Habitat Conservation Fund (Transfer from Item 3790-101-262 per Provision 1, Budget Act of 1993)</p> <p>(i) Amount payable from the Off-Highway Vehicle Fund (Item 3790-001-263)</p> <p>(j) Amount payable from the State Parks and Recreation Fund (Item 3790-001-392)</p>	<p>174,613,000</p> <p>10,112,000</p> <p>22,256,000</p> <p>—22,256,000</p> <p>—6,536,000</p> <p>—2,957,000</p> <p>—11,732,000</p> <p>—38,000</p> <p>—12,974,000</p> <p>—85,080,000</p>

Item	Amount
(k) Amount payable from the State Parks and Recreation Fund, Fines and Forfeitures Account (Item 3790-001-394)	- 367,000
(l) Amount payable from the Winter Recreation Fund (Item 3790-001-449)	- 115,000
(m) Amount payable from the Roberti-Z'berg-Harris Urban Open-Space and Recreation Program Account (Item 3790-001-463)	- 179,000
(n) Amount payable from the Harbors and Watercraft Revolving Fund (Item 3790-001-516)	- 10,897,000
(o) Amount payable from the Parklands Fund of 1984 (Item 3790-001-722)	- 3,000,000
(p) Amount payable from the California Wildlife, Coastal, and Park Land Conservation Fund of 1988 (Item 3790-001-786)	- 170,000
(q) Amount payable from the California Wildlife, Coastal, and Park Land Conservation Fund of 1988 (Public Resources Code Section 5907)	- 818,000
(r) Amount payable from the Recreational Trails Fund (transfer from Item 3790-101-858 per Provision 1, Budget Act of 1993)	- 14,000
(s) Amount payable from the Federal Trust Fund (Item 3790-001-890) ..	- 2,016,000

Provisions:

1. Of the funds appropriated by this act from state special funds, other than the Off-Highway Vehicle Fund and bond funds, to the Department of Parks and Recreation for local assistance grants to local agencies, the department may allocate an amount not to exceed 1.5 percent of each project's allocation to provide for the department's costs to administer these grants.
2. The funds appropriated by this act for the support of the Department of Parks and Recreation shall be expended as authorized by this item and as set forth in the Memorandum of Understanding dated June 8, 1994, and reflected in the Sup-

Item	Amount
<p>plemental Report of the Budget Act for the 1994-95 fiscal year.</p> <p>3. Notwithstanding any other provision of law, funds available in this appropriation are available to the Department of Parks and Recreation, which is hereby authorized (a) to exercise the authority granted to the Division of the State Architect and the Office of Real Estate and Design Services in the Department of General Services to acquire, plan, design, construct, and administer contracts and professional services pursuant to, and outlined in, the Memorandum of Understanding referenced in Provision (2); and (b) to use a request for proposal process in the selection of a new concessionaire at the Asilomar Conference Center.</p>	
<p>3790-001-140—For support of Department of Parks and Recreation, for payment to Item 3790-001-001, payable from the Environmental License Plate Fund</p>	2,957,000
<p>3790-001-235—For support of Department of Parks and Recreation, for payment to Item 3790-001-001, payable from the Public Resources Account, Cigarette and Tobacco Products Surtax Fund</p>	11,732,000
<p>3790-001-263—For support of Department of Parks and Recreation, for payment to Item 3790-001-001, payable from the Off-Highway Vehicle Fund</p>	12,974,000
<p>3790-001-392—For support of Department of Parks and Recreation, for payment to Item 3790-001-001, payable from the State Parks and Recreation Fund...</p>	85,080,000
<p>3790-001-394—For support of Department of Parks and Recreation, for payment to Item 3790-001-001, payable from the State Parks and Recreation Fund, Fines and Forfeitures Account</p>	367,000
<p>3790-001-449—For support of Department of Parks and Recreation, for payment to Item 3790-001-001, payable from the Winter Recreation Fund</p>	115,000
<p>3790-001-463—For support of Department of Parks and Recreation, for payment to Item 3790-001-001, payable from the Roberti-Z'berg-Harris Urban Open-Space and Recreation Program Account.....</p>	179,000
<p>3790-001-516—For support of Department of Parks and Recreation, for payment to Item 3790-001-001, payable from the Harbors and Watercraft Revolving Fund.....</p>	10,897,000
<p>Provisions:</p> <p>1. The funds appropriated in this item are pursuant to subdivision (d) of Section 663.7 of the</p>	

Item	Amount
Harbors and Navigation Code, Harbors and Watercraft Revolving Fund.	
3790-001-722—For support of Department of Parks and Recreation, for payment to Item 3790-001-001, payable from the Parklands Fund of 1984.....	3,000,000
3790-001-786—For support of Department of Parks and Recreation, for payment to Item 3790-001-001, payable from California Wildlife, Coastal, and Park Land Conservation Fund of 1988, subdivision (a) of Section 5907 of the Public Resources Code.....	170,000
3790-001-890—For support of Department of Parks and Recreation, for payment to Item 3790-001-001, payable from the Federal Trust Fund.....	2,016,000
3790-011-062—For support of Department of Parks and Recreation, for transfer by the State Controller to the State Parks and Recreation Fund, as prescribed by subdivision (a) of Section 2107.7 of the Streets and Highways Code, for expenditure by the department for maintenance and repair of highways in units of the state park system, payable from the Highway Users Tax Account, Transportation Tax Fund.....	(3,400,000)
3790-011-263—For transfer by the Controller from the Off-Highway Vehicle Fund, to the State Parks and Recreation Fund.....	(1,959,000)
3790-012-061—For transfer by the State Controller from the Motor Vehicle Fuel Account, Transportation Tax Fund, to the State Parks and Recreation Fund.....	(11,649,000)
Provisions:	
1. Notwithstanding any other provision of law, of the amount that would have transferred to the Harbors and Watercraft Revolving Fund from the Motor Vehicle Fuel Account, Transportation Tax Fund, the amount of this item shall be available for transfer from the Motor Vehicle Fuel Account, Transportation Tax Fund to the State Parks and Recreation Fund.	
2. None of these moneys shall be available for transfer if legislation is enacted in the 1993–94 or 1994–95 Regular Session that permanently transfers these funds from the Motor Vehicle Fuel Account, Transportation Tax Fund, to the State Parks and Recreation Fund.	

Item	Amount
3790-013-061—For transfer by the State Controller from the Motor Vehicle Fuel Account, Transportation Tax Fund, to the State Parks and Recreation Fund.....	(1,738,000)
Provisions:	
1. Notwithstanding any other provision of law, of the amount that would have transferred to the Off-Highway Vehicle Fund from the Motor Vehicle Fuel Account, Transportation Tax Fund, the amount of this item shall be available for transfer from the Motor Vehicle Fuel Account Transportation Tax Fund to the State Parks and Recreation Fund.	
2. None of these moneys shall be available for transfer if legislation is enacted in the 1993–94 or 1994–95 Regular Session that permanently transfers these funds from the Motor Vehicle Fuel Account, Transportation Tax Fund, to the State Parks and Recreation Fund.	
3790-014-061—For transfer by the State Controller from the Motor Vehicle Fuel Account, Transportation Tax Fund, to the State Parks and Recreation Fund.....	(825,000)
Provisions:	
1. Notwithstanding any other provision of law, of the amount that would have transferred to the Conservation and Enforcement Service Account—Off-Highway Vehicle Fund from the Motor Vehicle Fuel Account, Transportation Tax Fund, the amount of this item shall be available for transfer from the Motor Vehicle Fuel Account Transportation Tax Fund to the State Parks and Recreation Fund.	
2. None of these moneys shall be available for transfer if legislation is enacted in the 1993–94 or 1994–95 Regular Session that permanently transfers these funds from the Motor Vehicle Fuel Account, Transportation Tax Fund, to the State Parks and Recreation Fund.	
3790-101-140—For local assistance, Department of Parks and Recreation, payable from the Environmental License Plate Fund, to be available for expenditure during the 1994–95, 1995–96, and 1996–97 fiscal years	35,000
Schedule:	
(a) Local Grants.....	35,000

Item	Amount
(1) Riverbank: Swimming Pool Facilities, Safety Improvements.....	(35,000)
3790-101-235—For local assistance, Department of Parks and Recreation, payable from the Public Resources Account, Cigarette and Tobacco Products Surtax Fund, to be available for expenditure during the 1994–95, 1995–96, and 1996–97 fiscal years Schedule:	603,000
(a) Local grants.....	603,000
(1) City of Ontario, Colony Park.....	(150,000)
(2) City of San Diego, Community Park: Parking	(175,000)
(3) City of Long Beach, Park: Construction/Equipment.....	(175,000)
(4) Riverbank, Swimming Pool: Safety Improvements	(103,000)
3790-101-262—For local assistance, Department of Parks and Recreation, payable from the Habitat Conservation Fund, to be available for expenditure during the 1994–95, 1995–96, and 1996–97 fiscal years	2,000,000
Schedule:	
(1) 22.25-Local Grants	2,000,000
Provisions:	
1. The funds appropriated by this item shall be available only for projects submitted to the Department of Parks and Recreation for consideration during the evaluation process for the Habitat Conservation Fund Program.	
2. The funds appropriated by this item shall be used for purposes consistent with the requirements of the Habitat Conservation Fund, and the Unallocated Account, Cigarette and Tobacco Products Surtax Fund.	
3. Of the funds appropriated in this item, \$286,000 shall be for a grant to Monterey County for the acquisition of the Rancho Ventana property in Big Sur.	
4. Of the funds appropriated by this item, \$150,000 shall be used for acquisition of properties at Mt.	

Item	Amount
Baldy, adjacent to the Marin Municipal Water District, County of Marin.	
3790-101-263—For grants to cities, counties, or special districts, as specified in Division 5 (commencing with Section 5001) of the Public Resources Code, Department of Parks and Recreation, payable from the Off-Highway Vehicle Fund, to be available for expenditure during the 1994-95, 1995-96 and 1996-97 fiscal years	12,400,000
Schedule:	
(1) 12.25-Off-Highway Motor Vehicle Recreation Fund-Grants.....	12,400,000
3790-101-721—For local assistance, Department of Parks and Recreation, payable from the Parklands Fund of 1980, to be available for expenditure during the 1994-95, 1995-96, and 1996-97 fiscal years	422,000
Schedule:	
(a) 22.25-Local Grants	422,000
(1) City and County of San Francisco, Mid Embarcadero Open Space Project	(200,000)
(2) City of La Mirada, Community Gymnasium	(200,000)
(3) Riverbank: Swimming Pool Facilities, Safety Improvements.....	(22,000)
3790-101-722—For local assistance, Department of Parks and Recreation, payable from the Parklands Fund of 1984, to be available for expenditure during the 1994-95, 1995-96, and 1996-97 fiscal years.	21,000
Schedule:	
(a) Local Grants	21,000
(1) Riverbank: Swimming Pool Facilities, Safety Improvements.....	(21,000)
3790-101-733—For Local Assistance, Department of Parks and Recreation, payable from the State Beach, Park, Recreational and Historical Facilities Bond Act of 1974 Program, to be available for expenditure during the 1994-95, 1995-96, and 1996-97 fiscal years	986,000

Item	Amount
Schedule:	
(a) Local grants.....	986,000
(1) City of Fresno, Agricultural Museum (985,000)	
(2) Riverbank: Swimming Pool Facilities, Safety Improvements..... (1,000)	
3790-101-890—For local assistance, Department of Parks and Recreation, payable from the Federal Trust Fund, to be available for expenditure during the 1994-95, 1995-96 and 1996-97 fiscal years.....	2,375,000
Schedule:	
(1) 22.25-Local Grants	2,000,000
(2) 22.30-Historic Preservation Grants	375,000
3790-301-140—For capital outlay, Department of Parks and Recreation, payable from the California Environmental License Plate Fund	346,000
Schedule:	
(1) 90.HA.500-Anza Borrego Desert SP: Resource Inventory, Phase III—Study	158,000
(2) 90.90.110-Bodie SHP: Stabilization Burkham House and Old Morgue —Construction	88,000
(3) 90.JH.400-Anderson Marsh SHP: Acquisition	100,000
3790-301-235—For capital outlay, Department of Parks and Recreation, payable from the Public Resources Account, Cigarette and Tobacco Products Surtax Fund.....	295,000
Schedule:	
(1) 90.BE.205-Sunset SB: Water Pipeline-Minor Project.....	295,000
3790-301-262—For capital outlay, Department of Parks and Recreation, payable from the Habitat Conservation Fund	2,500,000
Schedule:	
(a) 90.RS.406-Habitat Conservation: Proposed Additions-Acquisition ..	1,000,000
(b) 90.RS.407-Santa Lucia Mountains: Proposed Additions-Acquisition ..	1,500,000
Provisions:	
1. Of the funds appropriated in Schedule (a) of this item, \$100,000 shall be used for purposes consistent with the requirements of the Unallocated Account, Cigarette and Tobacco Products	

Item	Amount
<p>Surtax Fund, and \$900,000 shall be used for purposes consistent with the requirements of the California Wildlife, Coastal and Parkland Fund of 1988. Of the funds appropriated in Schedule (b) of this item, \$1,500,000 shall be used for purposes consistent with the Harbors and Watercraft Revolving Fund. All funds appropriated by this item also shall be used for purposes consistent with the requirements of the Habitat Conservation Fund.</p> <p>2. The funds appropriated in Schedule (a) of this item shall be expended for state park acquisitions located in the Klamath-Siskiyou, Sierra Foothills and Low Coastal Mountain, Southwest Mountain and Valley, and Sierra Nevada Landscape Provinces.</p> <p>3. Of the funds appropriated in Schedule (a), \$900,000 shall be used for the Green Creek acquisition for the Department of Fish and Game.</p> <p>4. Of the funds appropriated in Schedule (a), \$100,000 shall be used for the Anderson Marsh SHP Acquisition.</p>	
<p>3790-301-263—For capital outlay, Department of Parks and Recreation, payable from the Off-Highway Vehicle Fund.....</p>	867,000
<p>Schedule:</p>	
<p>(1) 90.RS.605-Statewide: Budget Package/Schematic Planning—Planning.....</p>	50,000
<p>(2) 90.RS.206-Statewide: Off-Highway Vehicle Minor Projects.....</p>	567,000
<p>(3) 90.RS.403-Statewide: Opportunity Purchases-Acquisition.....</p>	200,000
<p>(4) 90.RS.404-Statewide: Pre-Budget Appraisals-Planning.....</p>	50,000
<p>Provisions:</p>	
<p>1. Funds appropriated in category (1) of this item shall be used to develop design information or cost information for new projects for which funds have not been appropriated previously, but which are anticipated to be included in the 1995-96 or 1996-97 Governor's Budget.</p>	
<p>2. Funds appropriated in category (4) of this item shall be used to develop cost information for new acquisition projects for which funds have not been appropriated previously, but which are anticipated to be included in the 1995-96 or</p>	

Item	Amount
1996-97 Governor's Budget. In addition, these funds may also be used for other acquisition related administrative costs.	
3790-301-392—For Capital Outlay, Department of Parks and Recreation, payable from the State Parks and Recreation Fund	500,000
(1) 90.GI.110.940-Crystal Cove SP: Historic District Rehabilitation — Study, preliminary plans, working drawings, and construction.	
3790-301-516—For capital outlay, Department of Parks and Recreation, payable from the Harbors and Watercraft Revolving Fund	1,500,000
Schedule:	
(1) 90.RS.130-Statewide: Dispatch Centers Program—Construction, Preliminary Plans, Working Drawings and Equipment.....	1,500,000

**CALIFORNIA WILDLIFE, COASTAL, AND PARK LAND
CONSERVATION PROGRAM**

3790-301-786—For capital outlay, Department of Parks and Recreation, payable from the California Wildlife, Coastal, and Park Land Fund of 1988	6,402,000
Schedule:	
(1) 90.EU.110-Bolsa Chica SB: Camping Facilities—Construction	900,000
(2) 90.9H.605-Colonel Allensworth SHP: Baptist Church Reconstruction—Preliminary Plans and Working Drawings.....	137,000
(3) 90.CB.600-Morro Bay SP: Campground Rehabilitation and Day Use Area—Study and Preliminary Plans	215,000
(4) 90.CG.605-Pfeiffer Big Sur SP: Improve Sewage Treatment Plant — Study, Preliminary Plans and Working Drawings.....	227,000
(5) 90.C1.110-Santa Cruz Mission SHP: Public Use Facilities—Construction.....	651,000
(6) 90.RS.605-Statewide: Budget Package/Schematic Planning	200,000
(7) 90.RS.615-Statewide: CEQA Filing Fees—Planning	30,000

Item	Amount
(8) 90.RS.205-Statewide: Park System —Minor Projects	2,500,000
(9) 90.RS.230-Statewide: Stewardship Program—Minor Projects.....	750,000
(10) 90.RS.610-Statewide: Topo- graphic Surveys—Planning.....	200,000
(11) 90.RS.235-Statewide: Volunteer Program—Minor Projects.....	152,000
(12) 90.5Y.110-Candlestick Point SRA: Boat launch facilities—Construc- tion	232,000
(13) 90.RS.401-Statewide: acquisition costs—Planning	100,000
(14) 90.RS.404-Statewide: Pre-budget appraisals—Planning	60,000
(15) 90.AN.610-Empire Mine SHP: Mine Shaft Adit—Working Draw- ings	96,000
(16) Reimbursements	-48,000
Provisions:	
1. Funds appropriated in category (6) of this item shall be used to develop design information or cost information for new projects for which funds have not been appropriated previously, but which are anticipated to be included in the 1995-96 or 1996-97 Governor's Budget.	
2. Funds appropriated in category (9) of this item shall be available for expenditure until June 30, 1997.	
3790-301-890—For capital outlay, Department of Parks and Recreation, payable from the Federal Trust Fund.....	600,000
Schedule:	
(1) 90.RS.408-Federal Trust Matching Program: Proposed Additions— Acquisition	600,000
3790-401—For the 1994-95 fiscal year, the balance as of July 1, 1994, deposits in, and accruals to the Con- servation and Enforcement Services Account in the Off-Highway Vehicle Fund shall be trans- ferred by the State Controller to the Off-Highway Vehicle Fund. All funds transferred pursuant to this item shall be available for expenditure by the Department of Parks and Recreation for purposes of conservation and enforcement activities pursu- ant to Sections 23 and 25 of Chapter 1027, Statutes of 1987 which are authorized for expenditure	

Item	Amount
<p>within Items 3790-001-263, 3790-101-263, and 3790-301-263. The State Controller shall make the transfers quarterly or at such intervals as determined necessary to meet the cash-flow needs of the Off-Highway Vehicle Fund.</p>	
<p>3790-490—Reappropriation, Department of Parks and Recreation. The balance of the appropriations provided in the following citations are reappropriated for the purposes (and subject to the limitations unless otherwise specified) provided for in the appropriations:</p>	
<p>140—California Environmental License Plate Fund</p>	
<p>(1) Item 3790-809-140, Chapter 1241/89, Section 4(b), as reappropriated by Item 3790-490-140(1), Budget Act of 1993, 90.AL.100.890, Millerton Lake SRA and Lost Lake Recreation Area Trail Development and Environmental Studies for San Joaquin Parkway General Plan. Notwithstanding any other provision of law, these funds may be made available as a grant to the San Joaquin River Conservancy for any of the following: administration of the conservancy, acquisition along the San Joaquin River Parkway, and development along the San Joaquin River Parkway. However, no more than 30 percent of these funds may be used for administration of the conservancy.</p>	
<p>(2) Item 3790-301-140(1), Budget Act of 1993, 90.HA.500, Anza Borrego Desert SP: Resource Inventory, Phase II-Study.</p>	
<p>164—Outer Continental Shelf Lands Act Section 8(g) Revenue Fund</p>	
<p>(1) Item 3790-301-164(1), Budget Act of 1993, 90.RS.130, Statewide: Dispatch Centers Program—Preliminary Plans, Working Drawings, Construction and Equipment.</p>	
<p>235—Public Resources Account, Cigarette and Tobacco Products Surtax Fund</p>	
<p>(1) Item 3790-301-235(1), Budget Act of 1992, as reappropriated by Item 3790-490-235(1), Budget Act of 1993, 90.41.207.920, Navarro River Project: Improvements—Minor Project.</p>	
<p>(2) Item 3790-301-235(2), Budget Act of 1992, as reappropriated by Item 3790-490-235(2), Budget Act of 1993, Reimbursements for Navarro River Project.</p>	

Item	Amount
(3) Item 3790-301-235 (4), Budget Act of 1992, as reappropriated by Item 3790-490-235 (3), Budget Act of 1993, 90.8E.600.920, Tahoe SRA: Visitor Center Exhibits—Planning.	
263—Off-Highway Vehicle Fund	
(1) Item 3790-301-263 (1), Budget Act of 1991, 90.EH.110, Hungry Valley SVRA: Initial Development—Construction.	
(2) Item 3790-301-263 (1), Budget Act of 1993, 90.EH.610, Hungry Valley SVRA: Quail Canyon—Phase I/II—Working Drawings.	
(3) Item 3790-301-263 (5), Budget Act of 1993, 90.RS.404, Statewide: Pre-Budget Appraisals—Planning.	
392—State Parks and Recreation Fund	
(1) Subdivision (g) of Section 4 of Chapter 1241 of the Statutes of 1989, State Park System, Maintenance and Repair of Highways.	
(2) Item 3790-301-392 (1), Budget Act of 1993, 90.GI.110.931, Crystal Cove SP: Historic Building Rehabilitation—Study, Preliminary Plans, Working Drawings, and Construction.	
722—Parklands Fund of 1984	
(1) Item 3790-301-722 (1), Budget Act of 1992, as reappropriated by Item 3790-490-722 (4), Budget Act of 1993, 90.6F.110.920, Angel Island SP: Seawall Reconstruction and Rehabilitation—Construction.	
(2) Item 3790-301-722 (4), Budget Act of 1992, as reappropriated by Item 3790-490-722 (6), Budget Act of 1993, 90.FO.205.920, Leo Carrillo SB: Facilities Rehabilitation—Minor Projects.	
(3) Item 3790-301-722 (8), Budget Act of 1992, as reappropriated by Item 3790-490-722 (7), Budget Act of 1993, 90.RS.220.920, Statewide: Storm Damage—Minor Projects.	
(4) Item 3790-301-722 (9), Budget Act of 1992, as reappropriated by Item 3790-490-722 (8), Budget Act of 1993, 90.RS.235.920, Statewide: Volunteer Program—Minor Projects.	
(5) Item 3790-301-722 (1), Budget Act of 1993, 90.GI.110, Crystal Cove SP: Historic District Sewer System Construction.	
(6) Item 3790-301-722 (2), Budget Act of 1993, 90.IA.100, South Carlsbad SB: Facilities Rehabilitation—Working Drawings and Construction.	

Item	Amount
(7) Item 3790-301-722(3), Budget Act of 1993, 90.RS.401, Statewide: Acquisition Costs-Planning.	
(8) Item 3790-301-722(6), Budget Act of 1993, 90.RS.205, Statewide: Park System—Minor Projects.	
(9) Item 3790-301-722(7), Budget Act of 1993, 90.RS.404, Statewide: Pre-Budget Appraisals—Planning.	
(10) Item 3790-301-722(8), Budget Act of 1993, 90.EU.605, Bolsa Chica SB: Campground Facilities—Preliminary Plans and Working Drawings.	
742—State, Urban, and Coastal Park Fund	
(1) Item 3790-301-742(2), Budget Act of 1992, as reappropriated by Item 3790-490-742(1), Budget Act of 1993, 90.RS.210.920, Statewide: Accessibility Expansion Program—Minor Projects.	
786—California Wildlife, Coastal, and Park Land Fund of 1988	
(1) Item 3790-301-786(18.5), Budget Act of 1990, as reappropriated by Item 3790-490-786(5), Budget Act of 1993, 90.CS.200, Monterey SB: Sand City Dunes Restoration—Minor Projects.	
(2) Item 3790-301-786(7), Budget Act of 1992, as reappropriated by Item 3790-490-786(7), Budget Act of 1993, 90.GI.605.920, Crystal Cove SP: Infrastructure Improvements—Preliminary Plans and Working Drawings.	
(3) Item 3790-301-786(11), Budget Act of 1992, as reappropriated by Item 3790-490-786(8), Budget Act of 1993, 90.CN.110.920, Monterey SHP: Pacific House—Construction.	
(4) Item 3790-301-786(12), Budget Act of 1992, as reappropriated by Item 3790-490-786(9), Budget Act of 1993, 90.5N.110.920, Mount Diablo SP: Water System Rehabilitation—Construction.	
(5) Item 3790-301-786(13), Budget Act of 1992, as reappropriated by Item 3790-490-786(10), Budget Act of 1993, 90.6H.100.920, Samuel P. Taylor SP: Water System—Preliminary Plans, Working Drawings, and Construction.	
(6) Item 3790-301-786(15), Budget Act of 1992, as reappropriated by Item 3790-490-786(12), Budget Act of 1993, 90.I4.600.920, South Carls-	

Item	Amount
	bad SB: Facilities Rehabilitation—Study and Preliminary Plans.
(7)	Item 3790-301-786(19), Budget Act of 1992, 90.RS.250.920, Statewide: Interpretive Artifact Exhibit and Artifact Rehabilitation—Minor Projects.
(8)	Item 3790-301-786(20), Budget Act of 1992, Statewide: Recreational Trails—Minor Projects.
(9)	Item 3790-301-786(21), Budget Act of 1992, Statewide: Stewardship Program—Minor Projects.
(10)	Item 3790-301-786(22), Budget Act of 1992, as reappropriated by Item 3790-490-786(14), Budget Act of 1993, 90.RS.220.920, Statewide: Storm Damage—Minor Projects.
(11)	Item 3790-301-786(24), Budget Act of 1992, as reappropriated by Item 3790-490-786(15), Budget Act of 1993, 90.RS.235.920, Statewide: Volunteer Program—Minor Projects.
(12)	Item 3790-301-786(25), Budget Act of 1992, 90.RS.245, Statewide: Archaeological Sites Rehabilitation—Minor Projects.
(13)	Item 3790-301-786(1), Budget Act of 1993, 90.5Y.110, Candlestick Point SRA: Boat Launch Facilities—Construction.
(14)	Item 3790-301-786(2), Budget Act of 1993, 90.EA.110, Carpinteria SB: Recreational Trails—Construction.
(15)	Item 3790-301-786(4), Budget Act of 1993, 90.I6.610, San Elijo SB: Campground Rehabilitation—Working Drawings.
(16)	Item 3790-301-786(5), Budget Act of 1993, 90.C1.605, Santa Cruz Mission SHP: Public Use Facilities—Preliminary Plans and Working Drawings.
(17)	Item 3790-301-786(6), Budget Act of 1993, 90.RS.605, Statewide: Budget Package/Schematic Planning—Planning.
(18)	Item 3790-301-786(7), Budget Act of 1993, 90.RS.240, Statewide: California Sno-Park Program—Minor Project.
(19)	Item 3790-301-786(8), Budget Act of 1993, 90.RS.615, Statewide: CEQA Filing Fees—Planning

Item	Amount
(20) Item 3790-301-786(11), Budget Act of 1993, 90.RS.610, Statewide: Topographic Surveys—Planning.	
(21) Item 3790-304-786(1), Budget Act of 1993, as added by Chapter 1105/93, SEC. 11, 90.5X.100.930, Marconi Conference Center SHP: Seismic Stabilization/Restoration of Historic Buildings listed on the National Register.	
853—Petroleum Violation Escrow Account	
(1) Item 3790-801-853(1), Chapter 1159/93, SEC. 6(b), 90.9H.100.930, Colonel Allensworth SHP: Efficiency Projects.	
3790-492—Reappropriation, Department of Parks and Recreation. Notwithstanding any other provision of law, the balance of the appropriation provided in the following citation is reappropriated for the purpose, unless otherwise specified (and subject to the limitations unless otherwise specified) provided for in the appropriation and shall be available for expenditure until June 30, 1995: 722-Parklands Fund of 1984	
(1) Item 3790-101-722(a)(42), Budget Act of 1986, County of Sierra, RV Disposal Station, provided that these funds shall be used for the Downieville Community Park project.	
3790-495—Reversion, Department of Parks and Recreation. As of June 30, 1994, the unencumbered balances of the appropriations provided in the following citations shall revert to the fund balance of the fund from which the appropriation was made: 164—Outer Continental Shelf Lands Act Section (g) Revenue Fund	
(1) Item 3790-301-164(1), Budget Act of 1992, 90.E4.400.920, Chino Hills Additional Land—Acquisition.	
235—Public Resources Account, Cigarette and Tobacco Products Surtax Fund	
(1) Item 3790-803-235 (TT), Chapter 1241/89, Section 4(C), 90.CO.400.890, Henry Coe State Park: Redfern Property—Acquisition.	
262—Habitat Conservation Fund	
(1) Item 3790-301-262(2), Budget Act of 1992, 90.RS.407.920, Santa Lucia Mountains: Proposed Additions—Acquisition.	
786—California Wildlife, Coastal, and Park Land Fund of 1988	

Item	Amount
(1) Item 3790-301-786(21) Budget Act of 1992, 90.RS.230.920, Statewide: Stewardship Program, Minor Projects—Partial reversion—except that the amount to be reverted shall be limited to \$238,000.	
(2) Item 3790-302-786(6), Budget Act of 1989, as added by Chapter 1241 of the Statutes of 1989, as reappropriated by Item 3790-490-786(2), Budget Act of 1992, 90.IJ.405.890, Old Town San Diego SHP: Bohannon Pottery Village—Acquisition.	
3810-001-001—For support of Santa Monica Mountains Conservancy	151,000
Schedule:	
(a) 10-Santa Monica Mountains Conservancy.....	629,000
(b) Reimbursements.....	—40,000
(c) Amount payable from the Santa Monica Mountains Conservancy Fund (Item 3810-011-941)	—438,000
3810-011-941—For support of Santa Monica Mountains Conservancy, for payment to Item 3810-001-001, payable from the Santa Monica Mountains Conservancy Fund.....	438,000
3810-301-262—For capital outlay and grants, Santa Monica Mountains Conservancy, payable from the Habitat Conservation Fund	10,000,000
Provisions:	
1. Notwithstanding any other provision of law, \$3,700,000 shall be jointly expended and granted for two projects: \$1,700,000 for the University of California Natural Reserve System project specified in Provisions 2 and 3 below and \$2,000,000 for the Whittier/Puente Hills Conservation Authority project specified in Provision 4 below. Any amount less than \$1,700,000 appropriated for the purposes specified in Provisions 2 and 3 shall result in an equal dollar reduction for the appropriation specified in Provision 4 below.	
2. The executive director of the Santa Monica Mountains Conservancy shall transfer Stunt Ranch to the Regents of the University of California, as required by Section 33205.5 of the Public Resources Code, on the effective date of this act. The executive director also shall offer to transfer that property known as Red Rock Canyon to the regents or its designee for use by the	

Item	Amount
<p>University of California Natural Reserve System, for conservation, scientific, and educational purposes in exchange for an agreed-upon portion of Stunt Ranch to include the area known as the Kay Spensely Nature Center and any additional area as needed for educational use by the conservancy or its designee, that portion to be mutually determined by the executive director and the regents. The exchange further shall provide for use of the portion of Stunt Ranch transferred to the conservancy by the regents as may be necessary for scientific and educational purposes. The exchange shall be deemed to comply with Section 33205.5 of the Public Resources Code.</p>	
<p>3. Notwithstanding any other provision of law, not less than \$1,700,000 shall be expended for acquisition and minor improvements, by the Santa Monica Mountains Conservancy or other public entity of which it is a member, of a site mutually determined by the conservancy and the University of California Natural Reserve System to be suitable for conservation and research on valley-blue oak savanna and coastal sage habitat adjacent to any existing reserve system area dedicated to that research.</p>	
<p>4. Notwithstanding any other provision of law, the Santa Monica Mountains Conservancy shall grant not more than \$2,000,000 to the Whittier/Puente Hills Conservation Authority for acquisition of critical oak savanna and riparian habitat in the wildlife corridor between the City of Whittier and Chino Hills State Park.</p>	
<p>5. Of the funds appropriated in this item, \$2,209,000 shall be used for purposes consistent with the Public Resources Programs Account, Cigarette and Tobacco Products Surtax Fund, and the Habitat Conservation Fund.</p>	
<p>6. Of the funds appropriated in this item, \$4,791,000 shall be used for purposes consistent with the Energy Resources Programs Account and the Habitat Conservation Fund.</p>	
<p>7. Of the funds appropriated in this item, \$3,000,000 shall be used for purposes consistent with the Unallocated Account, Cigarette and Tobacco Products Surtax Fund, and the Habitat Conservation Fund.</p>	

Item	Amount
3810-311-465—For transfer by the Controller to the Habitat Conservation Fund, payable from the Energy Resources Programs Account, General Fund Provisions:	(4,791,000)
1. Notwithstanding Section 25803 of the Public Resources Code, or any other provision of law, funds appropriated by this item shall be used for purposes consistent with the Energy Resources Programs Account and the Habitat Conservation Fund.	
3820-001-001—For support of San Francisco Bay Conservation and Development Commission.....	1,342,000
Schedule:	
(a) 10-Bay Conservation and Development	2,114,000
(b) Reimbursements.....	-355,000
(c) Amount payable from the Long Term Management Strategy Study Fund (Item 3820-001-248) .	-217,000
(d) Amount payable from Outer Continental Shelf Lands Act, Section 8 (g) Revenue Fund (Item 3820-001-164).....	-200,000
3820-001-164—For support of San Francisco Bay Conservation and Development Commission, for payment to Item 3820-001-001, payable from Outer Continental Shelf Lands Act, Section 8(g) Revenue Fund.....	200,000
3820-001-248—For support of San Francisco Bay Conservation and Development Commission, for payment to Item 3820-001-001, payable from the Long Term Management Strategy Study Fund	217,000
3840-001-140—For support of the Delta Protection Commission, payable from the California Environmental License Plate Fund.....	150,000
3840-001-176—For support of the Delta Protection Commission, payable from the Delta Flood Protection Fund.....	50,000
3840-001-516—For support of the Delta Protection Commission, payable from the Harbors and Watercraft Revolving Fund	50,000
3860-001-001—For support of Department of Water Resources.....	15,475,000

Item	Amount
Schedule:	
(a) 10-Continuing Formulation of the California Water Plan	15,796,000
(b) 20-Implementation of the State Water Resources Development System	1,175,000
(c) 30-Public Safety and Prevention of Damage	21,161,000
(d) 40-Services.....	4,857,000
(e) 50.01-Management and Administration.....	48,190,000
(f) 50.02-Distributed Management and Administration.....	-48,190,000
(g) Reimbursements.....	-9,763,000
(h) Amount payable from the California Environmental License Plate Fund (Item 3860-001-140).....	-402,000
(i) Amount payable from the California Water Fund (Item 3860-001-144)	-4,082,000
(j) Amount payable from the Delta Flood Protection Fund (Item 3860-001-176)	-1,697,000
(ja) Amount payable from Public Resources Account, Cigarette and Tobacco Products Surtax Fund (Item 3860-001-235)	-1,000,000
(jx) Amount payable from the Pollution Abatement and Cleanup Account, Water Quality Control Fund (Item 3860-001-679)	-5,213,000
(k) Amount payable from the 1984 State Clean Water Bond Fund (Item 3860-001-740)	-48,000
(l) Amount payable from the 1986 Water Conservation and Water Quality Bond Fund (Item 3860-001-744)	-269,000
(m) Amount payable from the Water Conservation Bond Fund of 1988 (Item 3860-001-790)	-315,000
(n) Amount payable from the Federal Trust Fund (Item 3860-001-890) ..	-2,737,000
(o) Amount payable from the Renewable Resources Investment Fund (Item 3860-001-940)	-1,988,000

Item	Amount
Provisions:	
1. The amounts appropriated in Items 3860-001-001 to 3860-001-940, inclusive, shall be transferred to the Water Resources Revolving Fund (691) for direct expenditure in such amounts as the Department of Finance may authorize, including cooperative work with other agencies.	
2. The Department of Water Resources is hereby authorized to offset \$24,727,700 of the obligation of the State Water Project to the California Water Fund as authorized by Section 11913 of the Water Code. This continues the offset of the State Water Project's costs for development of public recreation and enhancement of fish and wildlife. This amount represents accumulated costs from July 1, 1990, to June 30, 1993, inclusive.	
3. Of the funds appropriated in Schedule (g), an amount not to exceed \$934,000 shall be expended for purposes consistent with the Habitat Conservation Fund.	
4. Funding from either the State Water Project or the State Water Project contractors shall not be used to supplant the \$2,400,000 reduction in Program 10 (Continuing Formulation for the California Water Plan) resulting from the allocation of funds to the City of Los Angeles for the Reclaimed Water Distribution Project for replacement of Mono Lake water.	
5. The funds appropriated in this item for support of the Reclamation Board shall not be expended unless the board certifies that board expenditures for construction or maintenance on levees within the boundaries of any city shall occur only if illegal fences or barriers denying legal public access to these levees or interfering with the successful execution, functioning, or operation of the adopted plan of flood control are removed.	
3860-001-140—For support of Department of Water Resources, for payment to Item 3860-001-001, payable from the California Environmental License Plate Fund.....	402,000
Provisions:	
1. Provision 1 of Item 3860-001-001 shall also be applicable to this item.	

Item	Amount
3860-001-144—For support of Department of Water Resources, for payment to Item 3860-001-001, payable from the California Water Fund.....	4,082,000
Provisions:	
1. Provision 1 of Item 3860-001-001 shall also be applicable to this item.	
3860-001-176—For support of Department of Water Resources, for payment to Item 3860-001-001, payable from the Delta Flood Protection Fund.....	1,697,000
Provisions:	
1. Provision 1 of Item 3860-001-001 shall also be applicable to this item.	
3860-001-235—For support of Department of Water Resources for payment to Item 3860-001-001, payable from the Public Resources Account, Cigarette and Tobacco Products Surtax Fund.....	1,000,000
3860-001-679—For support of Department of Water Resources, for payment to Item 3860-001-001, payable from the State Water Pollution Cleanup and Abatement Account, State Water Quality Control Fund.....	5,213,000
Provisions:	
1. Notwithstanding Sections 13440 to 13443, inclusive, of the Water Code, funds appropriated in this item shall be available for support of Program 10 (Continuing Formulation of the California Water Plan).	
2. The funds appropriated by this item shall not affect the continuous appropriation authority set forth in Section 13441 of the Water Code.	
3860-001-740—For support of Department of Water Resources, for payment to Item 3860-001-001, payable from the 1984 State Clean Water Bond Fund.....	48,000
Provisions:	
1. Provision 1 of Item 3860-001-001 shall also be applicable to this item.	
3860-001-744—For support of the Department of Water Resources, for payment to Item 3860-001-001, payable from the 1986 Water Conservation and Water Quality Bond Fund.....	269,000
Provisions:	
1. Provision 1 of Item 3860-001-001 shall also be applicable to this item.	
3860-001-790—For support of the Department of Water Resources, for payment to Item 3860-001-001, payable from the 1988 Water Conservation Bond Fund.....	315,000

Item	Amount
Provisions:	
1. Provision 1 of Item 3860-001-001 shall also be applicable to this item.	
3860-001-890—For support of Department of Water Resources, for payment to Item 3860-001-001, payable from the Federal Trust Fund	2,737,000
Provisions:	
1. Provision 1 of Item 3860-001-001 shall also be applicable to this item.	
3860-001-940—For support of Department of Water Resources, for payment to Item 3860-001-001, payable from the Renewable Resources Investment Fund.....	1,988,000
Provisions:	
1. Provision 1 of Item 3860-001-001 shall also be applicable to this item.	
3860-005-144—For support of Department of Water Resources, payable from the California Water Fund, for transfer to the Delta Flood Protection Fund ..	(11,950,000)
3860-011-144—For support of Department of Water Resources, payable from the California Water Fund, for transfer to the Environmental Water Fund	(8,613,000)
Provisions:	
1. Notwithstanding subdivision (b) of Section 12929.12 of the Water Code, funds transferred by this item shall be made available for purposes consistent with the Environmental Water Program.	
3860-011-465—For transfer by the Controller to the Environmental Water Fund, payable from the Energy Resources Program Account Fund, General Fund.....	(387,000)
Provisions:	
1. Notwithstanding Section 25803 of the Public Resources Code, or any other provision of law, funds transferred by this item shall be made available for purposes consistent with the Environmental Water Program.	
3860-101-176—For local assistance, Department of Water Resources, Program 30.20-Flood Control Subventions, payable from the Delta Flood Protection Fund.....	10,622,000
3860-101-244—For local assistance, Department of Water Resources, Program 10.20, New Sources of Water, payable from the Environmental Water Fund	9,000,000

Item	Amount
Schedule:	
(a) City of Los Angeles—Reclaimed Waste Water Distribution Project	9,000,000
Provisions:	
1. Consistent with subdivision (b) of Section 12929.12 of the Water Code, the Department of Water Resources may allocate the funds appropriated in this item to the City of Los Angeles for the Reclaimed Water Distribution Project for replacement of Mono Lake water as scheduled in this item.	
3860-101-740—For local assistance, Department of Water Resources, Program 10.29—Conservation Loans, payable from the 1984 State Clean Water Bond Fund	20,000
3860-101-744—For local assistance, Department of Water Resources, Program 10.29—Conservation Loans, payable from the 1986 Water Conservation and Water Quality Bond Fund	20,000,000
3860-101-754—For local assistance, Department of Water Resources, Program 30.20—Flood Control Subventions, payable from the Public Safety Bond (1994)	135,000,000
Provisions:	
1. The funds appropriated in this item shall be available for partial payment (90 percent of the amount recommended by the Department of Water Resources) of claims for reimbursement following a completed engineering review by the Department of Water Resources. The remaining portion of the claims shall be paid after an audit has been completed by the Controller's office. No expenditures shall be made until the local organizations give assurance that they shall maintain and operate the projects after completion in a manner which will accomplish the purposes for which the projects were authorized and constructed and as may be required by the federal agencies concerned and the Department of Water Resources, and that the local organization shall hold and save the State of California free from damages or claims due to the construction, installation, operation and maintenance of the project.	
2. The funds appropriated in this item are for expenditure by the Department of Water Resources, in accordance with Chapters 1 (com-	

Item	Amount
<p>commencing with Section 12570), 2 (commencing with Section 12639), 3 (commencing with Section 12800), 3.5 (commencing with Section 12840), and 4 (commencing with Section 12850) of Part 6 of Division 6 of the Water Code, for payment of, and for reimbursement for expenditures and necessary advances made for, the cost of cooperation by the state for major flood control projects adopted by the Legislature, for small flood control projects approved under Section 12750 of the Water Code, and for watershed protection and flood prevention projects as authorized pursuant to Chapter 4 (commencing with Section 12850) of Part 6 of Division 6 of the Water Code, and administrative costs.</p>	

**CALIFORNIA WILDLIFE, COASTAL, AND PARK LAND
CONSERVATION PROGRAM**

3860-101-786—For local assistance, Department of Water Resources, Program 10.10-Water Management Planning, payable from the California Wildlife, Coastal, and Park Land Conservation Fund of 1988 for the California Wildlife, Coastal, and Park Land Conservation Program	300,000
3860-101-790—For local assistance, Department of Water Resources, Program 10.29—Conservation Loans, payable from the Water Conservation Bond Fund of 1988.....	23,020,000
3860-301-001—For capital outlay, Department of Water Resources.....	3,775,000
Schedule:	
(1) 30.95.010-Sacramento River Bank Protection Project.....	1,000,000
(2) 30.95.030-Merced County Streams Project	300,000
(3) 30.95.090-Cherokee Canal.....	525,000
(4) 30.95.105-Marysville/Yuba Levee Reconstruction.....	3,000,000
(5) Reimbursements.....	-1,050,000

Provisions:

1. The amounts appropriated in Schedules (1) to (5), inclusive, are for acquisition of land, easements, and rights-of-way, including, but not limited to, borrow pits, spoil areas, and easements for levees, clearing, flood control works, and flowage, and for appraisals, surveys, and engi-

Item	Amount
<p>neering studies necessary for the completion or operation of the projects in the Sacramento and San Joaquin watersheds as authorized by Section 8617.1 and Chapters 1 (commencing with Section 12570), 2 (commencing with Section 12639), 3 (commencing with Section 12800), 3.5 (commencing with Section 12840), and 4 (commencing with Section 12850) of Part 6 of Division 6 of the Water Code. The amounts appropriated in Schedules (1) to (5), inclusive, are also for advances to the federal government or payments to the federal government or others for incidental construction or reconstruction items that are an obligation of the state in connection with the completion or operation of the projects and for materials and necessary construction, reconstruction, relocation, or alterations to highways, railroads, bridges, powerlines, communication lines, pipelines, irrigation works, and other structures and facilities and for appraisals, surveys, and engineering studies incidental thereto.</p> <p>2. The funds appropriated in Schedules (1) to (5), inclusive, include funding for preliminary plans, working drawings, construction supervision, contract administration, and other work activities to be performed by Department of Water Resources personnel in completion of the projects.</p> <p>3. Notwithstanding Section 28.00 of this act, funds may be transferred, with the approval of the Department of Finance, between projects specified in Schedules (1) to (5), inclusive, and other Department of Water Resources major capital outlay projects with an active appropriation. The Director of Finance shall notify, in writing, the chairperson of the committee in each house that considers appropriations and the Chairperson of the Joint Legislative Budget Committee, or his or her designee, may determine prior to any transfer.</p> <p>4. The amount appropriated in Schedules (1) to (5), inclusive, shall not be expended unless the Reclamation Board certifies that these expenditures shall occur on levees only if illegal fences or barriers denying legal public access to these levees or interfering with the successful execu-</p>	

Item	Amount
tion, functioning, or operation of the adopted plan of flood control are prohibited and removed.	
3860-301-786—For capital outlay, Department of Water Resources, payable from the California Wildlife, Coastal, and Park Land Fund of 1988	0
(1) 90.94.010-North Fork, Feather River Pass, River Modification	100,000
(2) Reimbursements	-100,000
3860-490—Reappropriation, Department of Water Resources. The balances of the appropriations provided in the following citations are reappropriated for the purposes, and subject to the limitations unless otherwise specified, provided for in the appropriations:	
036—Special Account for Capital Outlay	
(1) Item 3860-301-036 (1) Chapter 93 of the Statutes of 1989, 30.95.020—Cache Creek Settling Basin Project.	
144—California Water Fund	
(1) Item 3860-301-144 (4), Chapter 93 of the Statutes of 1989, 30.95.080—Sacramento Metropolitan Area Levee Reconstruction.	
235—Public Resources Account	
(1) Item 3860-301-235 (1) Chapter 93 of the Statutes of 1989, 30.95.025 Sacramento—San Joaquin River Riparian Purchases.	

CALIFORNIA ENVIRONMENTAL PROTECTION AGENCY

3900-001-044—For support of State Air Resources Board, payable from the Motor Vehicle Account, State Transportation Fund.....	66,490,000
Schedule:	
(a) 15-Mobile Source	61,747,000
(b) 25-Stationary Source	38,602,000
(c) 30.01-Program Direction and Support.....	9,446,000
(d) 30.02-Distributed Program Direction and Support.....	-9,446,000
(e) Reimbursements.....	-3,616,000
(g) Amount payable from the Air Pollution Control Fund (Item 3900-001-115)	-9,292,000
(h) Amount payable from the Vehicle Inspection and Repair Fund (Item 3900-001-421)	-8,054,000

Item	Amount
(i) Amount payable from the Air Toxics Inventory and Assessment Account, General Fund (Item 3900-001-434)	-4,987,000
(j) Amount payable from the Petroleum Violation Escrow Account (Item 3900-001-853)	-155,000
(k) Amount payable from the Federal Trust Fund (Item 3900-001-890) ..	-7,755,000
Provisions:	
1. Of the amount appropriated in this item, \$1,000,000 is for a San Joaquin Valley Data Collection and Modeling Study. The Air Resources Board may advance the funds to the San Joaquin Valleywide Air Pollution Study Agency, with whom the board shall contract for the conduct of the study.	
3900-001-115—For support of State Air Resources Board, for payment to Item 3900-001-044, payable from the Air Pollution Control Fund.....	9,292,000
3900-001-421—For support of State Air Resources Board, for payment to Item 3900-001-044, payable from the Vehicle Inspection and Repair Fund	8,054,000
3900-001-434—For support of State Air Resources Board, for payment to Item 3900-001-044, payable from the Air Toxics Inventory and Assessment Account, General Fund	4,987,000
3900-001-853—For support of State Air Resources Board, for payment to Item 3900-001-044, payable from the Petroleum Violation Escrow Account ...	155,000
3900-001-890—For support of State Air Resources Board, for payment to Item 3900-001-044, payable from the Federal Trust Fund	7,755,000
3900-101-044—For local assistance, State Air Resources Board, for assistance to counties in the operation of local air pollution control districts, payable from the Motor Vehicle Account, State Transportation Fund.....	7,511,000
Schedule:	
(a) 35-Subvention	7,511,000
3910-001-100—For support of California Integrated Waste Management Board, for payment to Item 3910-001-387, payable from the California Used Oil Recycling Fund	15,000,000

Item	Amount
3910-001-226—For support of California Integrated Waste Management Board, for payment to Item 3910-001-387, payable from the Tire Recycling Management Fund	3,109,000
3910-001-281—For support of California Integrated Waste Management Board, for payment to Item 3910-001-387, payable from the Recycling Market Development Revolving Loan Account	6,603,000
Provisions:	
1. In addition to the funds available in this item, any amounts received from points, interest, loan fees, and the repayment of loans for loans funded from this item are available for expenditure.	
3910-001-387—For support of California Integrated Waste Management Board, payable from the Integrated Waste Management Account, Integrated Waste Management Fund.....	29,654,000
Schedule:	
(a) 10-Planning and Enforcement	16,814,510
(b) 15-Disposal Site Cleanup and Maintenance	5,000,000
(c) 20-Waste Reduction and Resource Recovery	35,630,490
(d) 25-Tire Recycling	3,109,000
(e) 30-Administration	8,708,000
(f) Distributed Administration.....	-8,708,000
(g) Reimbursements.....	-188,000
(h) Amount payable from California Used Oil Recycling Fund (Item 3910-001-100)	-15,000,000
(i) Amount payable from California Used Oil Recycling Fund (Section 48653 of the Public Resources Code).....	-1,000,000
(j) Amount payable from Tire Recycling Management Fund (Item 3910-001-226)	-3,109,000
(k) Amount payable from Recycling Market Development Revolving Loan Account (Item 3910-001-281)	-6,603,000
(l) Amount payable from Solid Waste Disposal Site Cleanup Trust Fund (Section 48028 of the Public Resources Code)	-5,000,000

Item	Amount
Provisions:	
1. Notwithstanding Section 42010 of the Public Resources Code, the California Integrated Waste Management Board may offset the costs of administering the revolving loan program for Recycling Market Development Zones with funds appropriated in this item.	
3910-003-387—For transfer by the State Controller to the Recycling Market Development Revolving Loan Account as a loan pursuant to subdivision (e) of Section 42010 of the Public Resources Code, payable from the Integrated Waste Management Account	(5,000,000)
3910-101-100—For local assistance, California Integrated Waste Management Board, payable from the California Used Oil Recycling Fund	8,000,000
3910-101-226—For local assistance, California Integrated Waste Management Board, payable from the Tire Recycling Management Fund	1,000,000
3910-101-387—For local assistance, California Integrated Waste Management Board, payable from the Integrated Waste Management Account, Integrated Waste Management Fund	4,500,000
3910-495—Reversion, California Integrated Waste Management Board. As of June 30, 1994, notwithstanding any other provision of law, the unexpended balance of funds provided in the following citations shall revert to the fund balance of the fund from which the appropriation was made.	
387—Integrated Waste Management Account	
(1) Chapter 718, Statutes of 1991—\$168,000 for sludge reuse regulation development.	
(2) Chapter 1066, Statutes of 1991—\$100,000 to conduct a telephone directory recycling study.	
3930-001-001—For support of Department of Pesticide Regulation	8,940,000
Schedule:	
(a) 12-Registration and Health Evaluation.....	13,143,000
(b) 17-Enforcement, Environmental Monitoring and Data Management	23,549,000
(c) 20.10-Executive and Administrative Services.....	3,524,000
(d) 20.20-Distributed Executive and Administrative Services.....	-3,218,000
(e) Reimbursements.....	-525,000

Item	Amount
(f) Amount payable from the Department of Pesticide Regulation Fund (Item 3930-001-106)	-22,667,000
(g) Amount payable from the Environmental License Plate Fund (Item 3930-001-140)	-839,000
(h) Amount payable from the Food Safety Account (Item 3930-001-224)	-1,743,000
(i) Amount payable from the Federal Trust Fund (Item 3930-001-890) ..	-2,284,000
Provisions:	
1. Notwithstanding Sections 11513 and 12784 of the Food and Agricultural Code, the funds appropriated by this item from the Department of Pesticide Regulation Fund shall be available for the purposes of the Department of Pesticide Regulation.	
3930-001-106—For support of Department of Pesticide Regulation, for payment to Item 3930-001-001, payable from the Department of Pesticide Regulation Fund	22,667,000
3930-001-140—For support of Department of Pesticide Regulation, for payment to Item 3930-001-001, payable from the Environmental License Plate Fund	839,000
3930-001-224—For support of Department of Pesticide Regulation, for payment to Item 3930-001-001, payable from the Food Safety Account	1,743,000
3930-001-890—For support of Department of Pesticide Regulation, for payment to Item 3930-001-001, payable from the Federal Trust Fund	2,284,000
3930-101-001—For local assistance, Department of Pesticide Regulation	2,449,000
Schedule:	
(a) 17-Enforcement, Environmental Monitoring and Data Management	9,959,000
(b) Amount payable from the Department of Pesticide Regulation Fund (Item 3930-101-106)	-816,000
(c) Amount payable from the Department of Pesticide Regulation Fund (Item 3930-102-106)	-600,000
(d) Amount payable from the Department of Pesticide Regulation Fund (Section 12844 of the Food and Agricultural Code)	-6,094,000

Item	Amount
3930-101-106—For local assistance, Department of Pesticide Regulation, for payment to Item 3930-101-001, payable from the Department of Pesticide Regulation Fund.....	816,000
3930-102-106—For local assistance, Department of Pesticide Regulation, for payment to Item 3930-101-001, payable from the Department of Pesticide Regulation Fund from revenues received only pursuant to Section 8698.1 of the Business and Professions Code, to be available for the purposes of Chapter 14.5 of Division 3 of the Business and Professions Code, commencing with Section 8698, an amount not to exceed \$600,000, to be available for expenditure until January 1, 1996, to cover costs incurred during the period from January 1, 1994, to January 1, 1996, at which time the unencumbered balance of the amount appropriated shall revert to the Department of Pesticide Regulation Fund, for appropriation pursuant to Section 11476 of the Food and Agricultural Code.	600,000
3940-001-001—For support of State Water Resources Control Board.....	29,421,000
Schedule:	
(a) 10-Water Quality.....	226,975,000
(b) 20-Water Rights.....	8,047,000
(c) 30.01-Administration	11,538,000
(d) 30.02-Distributed Administration.....	-11,538,000
(e) Reimbursements.....	-11,005,000
(f) Amount payable from the Leaking Underground Storage Tank Cost Recovery Fund (Item 3940-001-025).....	-4,547,000
(g) Amount payable from the Waste Discharge Permit Fund (Item 3940-001-193)	-11,450,000
(h) Amount payable from the Environmental Protection Trust Fund (Item 3940-001-225)	-1,978,000
(i) Amount payable from the Public Resources Account, Cigarette and Tobacco Products Surtax Fund (Item 3940-001-235)	-776,000
(j) Amount payable from the Bay Protection and Toxic Cleanup Fund (Item 3940-001-282)	-2,807,000

Item	Amount
(k) Amount payable from the Integrated Waste Management Account, Integrated Waste Management Fund (Item 3940-001-387) ..	-4,708,000
(l) Amount payable from the Underground Storage Tank Tester Account (Item 3940-001-436)	-91,000
(m) Amount payable from the Underground Storage Tank Cleanup Fund (Item 3940-001-439)	-133,482,000
(n) Amount payable from the Underground Storage Tank Fund (Item 3940-001-475)	-985,000
(o) Amount payable from the Surface Impoundment Assessment Account, General Fund (Item 3940-001-482)	-194,000
(p) Amount payable from the 1984 State Clean Water Bond Fund (Item 3940-001-740)	-3,167,000
(q) Amount payable from the 1986 Water Conservation and Water Quality Bond Fund (Item 3940-001-744)	-305,000
(r) Amount payable from the 1988 Clean Water and Water Reclamation Fund (Item 3940-001-764)	-687,000
(s) Amount payable from the Federal Trust Fund (Item 3940-001-890) ..	-28,657,000
(t) Amount payable from the Special Deposit Fund (Item 3940-001-942)	-762,000
Provisions:	
1. Notwithstanding any other provision of law, upon approval and order of the Director of Finance, the State Water Resources Control Board may borrow sufficient funds, from special funds that otherwise provide support for the board, for cash purposes. Any such loans are to be repaid with interest at the rate earned in the Pooled Money Investment Account.	
3940-001-025—For support of State Water Resources Control Board, for payment to Item 3940-001-001, payable from the Leaking Underground Storage Tank Cost Recovery Fund.....	4,547,000

Item	Amount
3940-001-193—For support of State Water Resources Control Board, for payment to Item 3940-001-001, payable from the Waste Discharge Permit Fund..	11,450,000
3940-001-225—For support of State Water Resources Control Board, for payment to Item 3940-001-001, payable from the Environmental Protection Trust Fund.....	1,978,000
3940-001-235—For support of State Water Resources Control Board, for payment to Item 3940-001-001, payable from the Public Resources Account, Cigarette and Tobacco Products Surtax Fund.....	776,000
3940-001-282—For support of State Water Resources Control Board, for payment to Item 3940-001-001, payable from the Bay Protection and Toxic Cleanup Fund.....	2,807,000
3940-001-387—For support of State Water Resources Control Board, for payment to Item 3940-001-001, payable from the Integrated Waste Management Account, Integrated Waste Management Fund	4,708,000
3940-001-436—For support of State Water Resources Control Board, for payment to Item 3940-001-001, payable from the Underground Storage Tank Tester Account	91,000
3940-001-439—For support of State Water Resources Control Board, for payment to Item 3940-001-001, payable from the Underground Storage Tank Cleanup Fund.....	133,482,000
3940-001-475—For support of State Water Resources Control Board, for payment to Item 3940-001-001, payable from the Underground Storage Tank Fund.....	985,000
Provisions:	
1. Pursuant to subdivision (b) of Section 25287 of the Health and Safety Code, the surcharge to be included in the fee paid to a local agency by each person who submits an application for a permit to operate an underground storage tank shall be \$56 per tank, during the 1994-95 fiscal year. This surcharge shall be transmitted to the State Water Resources Control Board and deposited in the Underground Storage Tank Fund.	
3940-001-482—For support of State Water Resources Control Board, for payment to Item 3940-001-001, payable from the Surface Impoundment Assessment Account, General Fund.....	194,000

Item	Amount
3940-001-740—For support of State Water Resources Control Board, for payment to Item 3940-001-001, payable from the 1984 State Clean Water Bond Fund.....	3,167,000
3940-001-744—For support of State Water Resources Control Board, for payment to Item 3940-001-001, payable from the 1986 Water Conservation and Water Quality Bond Fund.....	305,000
3940-001-764—For support of State Water Resources Control Board, for payment to Item 3940-001-001, payable from the 1988 Clean Water and Water Reclamation Fund	687,000
3940-001-890—For support of State Water Resources Control Board, for payment to Item 3940-001-001, payable from the Federal Trust Fund	28,657,000
3940-001-942—For support of State Water Resources Control Board, for payment to Item 3940-001-001, payable from the Special Deposit Fund.....	762,000
3940-011-740—For transfer by the State Controller from the 1984 State Clean Water Bond Fund to the State Water Pollution Control Revolving Fund created pursuant to Section 13477 of the Water Code.....	1,199,000
3940-101-744—For local assistance, State Water Resources Control Board, payable from the 1986 Water Conservation and Water Quality Bond Fund..	15,000,000
3960-001-001—For support of Department of Toxic Substances Control, for payment to Item 3960-001-014, payable from the General Fund	136,000
3960-001-013—For support of Department of Toxic Substances Control, for payment to Item 3960-001-014, payable from the Federal Receipts Account, Hazardous Waste Control Account	1,002,000
3960-001-014—For support of Department of Toxic Substances Control, payable from the Hazardous Waste Control Account.....	73,016,000
Schedule:	
(a) 12-Site Mitigation.....	49,136,000
(b) 13-Hazardous Waste Management	42,400,000
(c) 17-External Affairs	10,459,000
(d) 15-Statewide Support.....	11,345,000
(e) 16.01-Program Direction and Support.....	20,985,000
(f) 16.02-Distributed Program Direction and Support.....	-20,686,000
(g) Reimbursements.....	-6,148,000

Item	Amount
(h) Amount payable from General Fund (Item 3960-001-001)	-136,000
(i) Amount payable from Federal Receipts Account (Item 3960-001-013)	-1,002,000
(j) Amount payable from Railroad Accident Prevention and Response Fund (Item 3960-001-059)	-2,722,000
(k) Amount payable from California Used Oil Recycling Fund (Item 3960-001-100)	-245,000
(l) Amount payable from Federal Trust Fund (Item 3960-001-890) ..	-30,370,000

Provisions:

1. Of the amount appropriated in this item, \$1,000,000: (a) shall be for the purposes of Section 25354 of the Health and Safety Code emergency response activity, (b) shall be in lieu of any appropriation made pursuant to that section, and (c) shall be transferred by the Controller into the Hazardous Waste Control Account.
2. Notwithstanding any other provision of law, the unobligated balance in the Hazardous Substance Account as of June 30, 1994, shall be transferred to the Hazardous Waste Control Account.
3. The Hazardous Waste Control Account shall be exempt from the provisions of Sections 13.50, 13.60 and 13.70 of the Budget Act of 1993 (Chapter 55, Statutes of 1993).
4. Notwithstanding any other provision of law, because the activities specified below are a high priority to the Legislature, an amount equivalent to all necessary costs to accomplish in the 1994-95 fiscal year the activities listed below shall be redirected on January 31, 1995, from other activities within the Hazardous Waste Management Program to accomplish the activities listed below:
 - (a) The Department of Toxic Substances Control shall identify those currently operating multiuser offsite hazardous waste treatment or disposal facilities (1) that have handled more than 5,000 tons of hazardous waste per year during calendar years 1991, 1992, or 1993, (2) that acquired interim status prior to January 1, 1992, (3) that are subject to the deadlines specified in Section

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- 25200.11 of the Health and Safety Code, and (4) that are not eligible for interim status under Section 25201.6 of the Health and Safety Code.
- (b) The department shall proceed as rapidly as feasible to process the permit applications for the facilities identified in (a) above, including, where possible, entering into memoranda of understanding to accomplish all milestones described in the department's 1994-95 workplan necessary to reach permit determinations.
 - (c) The department shall conduct comprehensive inspections of facilities identified in subdivision (a) above which have not been inspected since July 1, 1993, and shall identify all operations and activities at these facilities that are not in compliance with the initial and subsequent grants of interim status authorization granted to each facility by the department and the applicable provisions of Chapter 6.5 (commencing with Section 25200) of Division 20 of the Health and Safety Code and any applicable regulations adopted pursuant to that chapter.
 - (d) The department shall issue a report of violation or initiate other enforcement action on all violations found in subdivision (c) above.
 - (e) The department shall make the information relating to subdivisions (a), (b), (c), and (d) above available to the public, except to the extent that the information is confidential under the California Public Records Act.
5. In addition to the redirection in Provision 4 above, a transfer to Schedule (b) of this item only for the activities listed in Provision 4 above shall be made from a 10 percent reduction in all other programs within the Department of Toxic Substances Control.
 6. The redirection and transfer of funds in Provisions 4 and 5 shall be nullified if the activities listed in Provision 4 have been accomplished and a report acknowledging the completion of those activities is made to the Chair of the Joint Legislative Budget Committee, the chairs of the

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budget subcommittees of both houses, the Chair of the Senate Toxic and Public Safety Management Committee, and the Chair of the Assembly Environmental Safety and Toxic Materials Committee by January 1, 1995. Otherwise, the Department of Toxic Substances Control shall notify the chairs of those committees 30 days before any redirection or transfer is made concerning the reasons for not completing the activities listed in Provision 4, the date by which the activities will be accomplished, and the sources and amounts of the redirected and transferred funds.

7. The Department of Toxic Substances Control shall complete the following activities by June 30, 1995:
 - (a) The department shall notice its intent to issue or deny permits for currently operating multiuser offsite hazardous waste treatment facilities that are identified in subdivision (a) of Provision 4.
 - (b) For each facility noticed for permit action, the department shall make available for public review information describing whether or not the facility is operating in substantial compliance with Chapter 6.5 (commencing with Section 25200) of Division 20 of the Health and Safety Code and any regulations adopted pursuant to that chapter, including those requirements pertaining to waste analysis plans, closure cost estimates, remedial investigation and remedial action, and tank integrity and secondary containment.
 - (c) The department shall make a final determination to issue or deny permits for currently operating multiuser offsite hazardous waste treatment facilities identified in subdivision (a) of Provision 4.
 - (d) By January 1, 1995, the department shall report to the Chair of the Joint Legislative Budget Committee, the chairs of the budget subcommittees of both houses, the Chair of the Senate Toxic and Public Safety Management Committee, and the Chair of the Assembly Environmental Safety and Toxic Materials Committee on the depart-

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ment's progress in completing the activities described in subdivisions (a), (b), and (c) above, and if not completed, the date by which the activities listed will be accomplished.

- 8. The Department of Toxic Substances Control shall not expend state funds appropriated to the Hazardous Waste Management Program unless the department establishes a centralized California Environmental Quality Act function that is independent of the programs responsible for permitting and site mitigation decisions, which shall do all of the following:
 - (a) Review and provide recommendations pertaining to California Environmental Quality Act compliance on all department projects subject to the California Environmental Quality Act.
 - (b) Make the recommendations available to the public.
 - (c) Ensure that all appropriate department staff receives training regarding the California Environmental Quality Act requirements.

3960-001-018—For support of Department of Toxic Substances Control, payable from the Site Remediation Account, General Fund

1,003,000

- Schedule:
- (1) 12.10.030.065-Unforeseen Removals 111,000
 - (4) 12.10.030.140-Singer Friden 267,000
 - (5) 12.10.030.150-Flair Custom Cleaners..... 125,000
 - (7) 12.10.030.180-Iron Mountain Mine 500,000

- Provisions:
- 1. Notwithstanding Section 6.50 and Section 28.00 of this act, the Director of the Department of Toxic Substances Control may transfer amounts to or from projects scheduled in this item; however, no project schedule shall be increased or reduced by more than \$100,000 under this provision.
 - 2. The Director of the Department of Toxic Substances Control may schedule additional projects, remove scheduled projects, or transfer from project to project or reduce amounts in excess of \$100,000. Any such adjustments may not

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<p>be authorized sooner than 30 days after notification in writing to the Chairperson of the Joint Legislative Budget Committee, the chairperson of the legislative fiscal committees that act on the department's budget, the chairperson of the policy committee of the Assembly designated by the Speaker of the Assembly, and the chairperson of the policy committee of the Senate designated by the Senate Committee on Rules, unless the department determines that an earlier action is necessary to prevent or mitigate the threat of an imminent and substantial endangerment to public health or the environment resulting from current conditions at a hazardous substance release site.</p> <p>3. The Director of the Department of Toxic Substances Control shall report not later than 30 days after each calendar quarter to the Chairperson of the Joint Legislative Budget Committee and the chairpersons of the respective policy committees of the Senate and Assembly, any actions taken under Provisions 1 and 2 of this item for which prior notification has not been provided.</p> <p>4. Notwithstanding Section 2.00 of the Budget Act, this appropriation shall be available in accordance with the provisions of Section 25330.2 of the Health and Safety Code.</p>	
<p>3960-001-059—For support of Department of Toxic Substances Control, for payment to Item 3960-001-014, payable from the Hazardous Spill Prevention Account, Railroad Accident Prevention and Response Fund</p>	2,722,000
<p>Provisions:</p> <p>1. Notwithstanding subdivision (a) of Section 7714 of the Public Utilities Code, the aggregate of appropriations from the Hazardous Spill Prevention Account in the Railroad Accident Prevention and Response Fund may exceed \$3,000,000 for the 1994-95 fiscal year.</p>	
<p>3960-001-100—For support of Department of Toxic Substances Control, for payment to Item 3960-001-014, payable from the California Used Oil Recycling Fund</p>	245,000
<p>3960-001-890—For support of Department of Toxic Substances Control, for payment to Item 3960-001-014, payable from the Federal Trust Fund</p>	30,370,000

Item	Amount
Provisions:	
1. Notwithstanding Section 28.00 of this act, any amount in excess of the amount appropriated in Item 3960-001-890, received for reimbursement of costs that were incurred in prior years, shall be transferred to the Hazardous Waste Control Account.	
3960-011-058—For transfer by the State Controller from the Rail Accident Prevention and Response Fund to the Hazardous Spill Prevention Account, Rail Accident Prevention and Response Fund	(3,275,000)
3960-490—Reappropriation, Department of Toxic Substances Control. Notwithstanding any other provision of law, any unappropriated balance in the Hazardous Substance Cleanup Fund is hereby reappropriated for transfer to and in augmentation of Chapter 1439, Statutes of 1985, Section 7, Schedules (a) and (b).	
3960-491—Reappropriation, Department of Toxic Substances Control. Notwithstanding any other provision of law, \$2,610,952 of the appropriation provided in Item 4260-015-455 of the Budget Act of 1991, is reappropriated for the purpose of extending the liquidation period until June 30, 1996.	
3980-001-001—For support of Office of Environmental Health Hazard Assessment	3,947,000
Schedule:	
(a) 10-Health Risk Assessment.....	12,622,000
(b) Reimbursements.....	-7,095,000
(c) Amount payable from the Motor Vehicle Account (Item 3980-001-044)	-56,000
(d) Amount payable from the Hazardous Spill Prevention Account, Railroad Accident Prevention and Response Fund (Item 3980-001-059)	-448,000
(e) Amount payable from the Environmental License Plate Fund (Item 3980-001-140)	-848,000
(f) Amount payable from the Outer Continental Shelf Land Act, Section 8(g) Revenue Fund (Item 3980-001-164)	-228,000

Item	Amount
3980-001-044—For support of Office of Environmental Health Hazard Assessment, for payment to Item 3980-001-001, payable from the Motor Vehicle Account	56,000
3980-001-059—For support of Office of Environmental Health Hazard Assessment, for payment to Item 3980-001-001, payable from the Hazardous Spill Prevention Account, Railroad Accident Prevention and Response Fund	448,000
3980-001-140—For support of Office of Environmental Health Hazard Assessment, for payment to Item 3980-001-001, payable from the Environmental License Plate Fund	848,000
3980-001-164—For support of Office of Environmental Health Hazard Assessment, for payment to Item 3980-001-001, payable from the Outer Continental Shelf Lands Act, Section 8(g) Revenue Fund	228,000

HEALTH AND WELFARE

4100-001-890—For support of the State Council on Developmental Disabilities, payable from the Federal Trust Fund	5,818,000
Schedule:	
(a) 10-State Council Operations.....	1,174,000
(b) 20-Community Program Development	1,361,000
(c) 30-Allocation to Area Boards.....	3,283,000
Provisions:	
1. In the event federal funds are available to the state council in excess of the amounts appropriated in this item, the additional funds shall be used only for the following purposes, unless the funds are specifically designated by federal law for other purposes:	
(a) To augment the allocation to the Program Development Fund.	
(b) To fund the costs of salary and benefit increases approved by the Legislature that exceed the Budget Act appropriation.	
4110-001-001—For support of Area Boards on Developmental Disabilities	0
Schedule:	
(a) 10-Area Board Services	3,283,000
(b) Reimbursements.....	-3,283,000

Item	Amount
Provisions:	
1. Of the amount appropriated by this item, \$100,000 shall be spent on the Partners in Policymaking project.	
4120-001-001—For support of Emergency Medical Services Authority	1,114,000
Schedule:	
(a) 10-Emergency Medical Services Authority	2,724,000
(b) Reimbursement	—280,000
(c) Amount payable from the Federal Trust Fund (Item 4120-001-890) ..	—623,000
(d) Amount payable from the Emergency Medical Services Personnel Fund (Item 4120-001-312)	—707,000
Provisions:	
1. The Emergency Medical Services (EMS) Authority shall use the following guidelines in administering state-funded grants to local agencies: (a) funding eligibility shall be limited to rural multicounty regions that demonstrate a heavy use of the EMS system by nonresidents, (b) local agencies shall provide matching funds of at least \$1 for each dollar of state funds received, (c) state funding shall be used to provide only essential minimum services necessary to operate the system, as defined by the authority, (d) no region shall receive both federal and state funds in the same fiscal year for the same purpose, and (e) the authority shall use a competitive process to award the funds and shall monitor the use of the funds by recipients to assure that these funds are used in an appropriate manner.	
2. Each region shall be eligible to receive up to one-half of the total cost of a minimal system for that region, as defined by the authority. However, the authority may reallocate unclaimed funds among regions.	
3. Notwithstanding Provision 1(b), regions with a population of 300,000 or less as of June 30, 1994, shall receive the full amount for which they are eligible if they provide a cash match of \$0.41 per capita or more. Failure to provide local cash contributions at the specified level shall result in a proportional reduction in state funding.	

Item	Amount
4120-001-312—For support of Emergency Medical Services Authority, for payment to Item 4120-001-001, payable from the Emergency Medical Services Personnel Fund	707,000
4120-001-890—For support of Emergency Medical Services Authority, for payment to Item 4120-001-001, payable from the Federal Trust Fund	623,000
4120-101-001—For local assistance, Emergency Medical Services Authority, Program 10, grants to local agencies.....	2,435,000
Provisions:	
1. The General Fund support for poison control centers shall augment, but not replace, local expenditures for existing poison control center services. These funds shall be used primarily to increase services to underserved counties and populations and for poison prevention and information services. The Director of the Emergency Medical Services Authority may contract with eligible poison control centers for the distribution of these funds.	
2. Upon the request of the Director of the Emergency Medical Services Authority, and subject to the approval of the Department of Health Services, the California Medical Assistance Commission, and the Department of Finance, moneys appropriated in this item may be transferred to the Emergency Services and Supplemental Payments Fund for expenditure as provided in Item 4260-101-693 for local assistance for the purposes specified in that item.	
4120-101-890—For local assistance, Emergency Medical Services Authority, Program 10, payable from the Federal Trust Fund	2,104,000
4130-001-632—For support of the Health and Welfare Agency Data Center, payable from the Health and Welfare Agency Data Center Revolving Fund	93,659,000
Provisions:	
1. Notwithstanding any other provision of law, the Director of Finance may authorize the creation of deficiencies pursuant to Section 11006 of the Government Code, for the purposes of this item, no sooner than 30 days after notification in writing to the chairperson of the fiscal committees and the Chairperson of the Joint Legislative Budget Committee, or no sooner than such lesser time as the chairperson of the committee,	

Item	Amount
<ul style="list-style-type: none"> or his or her designee, may in each instance determine. 2. Funds appropriated in this item are in lieu of the amounts that would have otherwise been appropriated pursuant to Section 11755 of the Government Code. 3. In implementing the Statewide Automated Welfare System (SAWS) or SAWS demonstration projects, the Health and Welfare Agency Data Center shall take steps to ensure that there is no conflict of interest between staff and vendors. 	
4140-001-001—For support of Office of Statewide Health Planning and Development	903,000
Schedule:	
(a) 10-Health Policy and Analysis.....	2,986,000
(b) 25-Demonstration Projects.....	78,000
(c) 30-Health Professions Development	2,324,000
(d) 42-Facilities Development	16,640,000
(dd) 45-Cal Mortgage Loan Insurance	3,622,000
(e) 60-Health Facilities Data	7,495,000
(f) 80.01-Administration.....	6,443,000
(ff) 80.02-Distributed Administration.	-6,220,000
(g) Reimbursements.....	-969,000
(h) Amount payable from the Hospital Building Account, Architecture Public Building Fund, (Item 4140-001-121)	-16,640,000
(i) Amount payable from the California Health Data and Planning Fund (Item 4140-001-143)	-9,743,000
(j) Amount payable from the Registered Nurse Education Fund (Item 4140-001-181)	-656,000
(l) Amount payable from the Health Facilities Construction Loan Insurance Fund (Section 436.26, Health and Safety Code)	-4,025,000
(m) Amount payable from the Minority Health Professions Education Fund (Section 69800, Education Code).....	-432,000

Item	Amount
4140-001-121—For support of Office of Statewide Health Planning and Development, for payment to Item 4140-001-001, payable from the Hospital Building Account, Architecture Public Building Fund.....	16,640,000
Provisions:	
1. Notwithstanding any other provision of law, the Director of Finance may authorize the creation of deficiencies pursuant to Section 11006 of the Government Code, for the purposes of this item, no sooner than 30 days after notification in writing to the chairperson of the fiscal committees and the Chairperson of the Joint Legislative Budget Committee, or no sooner than such lesser time as the chairperson of the committee, or his or her designee, may in each instance determine.	
4140-001-143—For support of Office of Statewide Health Planning and Development, for payment to Item 4140-001-001, payable from the California Health Data and Planning Fund.....	9,743,000
4140-001-181—For support of Office of Statewide Health Planning and Development, for payment to Item 4140-001-001, payable from the Registered Nurse Education Fund	656,000
4140-101-001—For local assistance, Office of Statewide Health Planning and Development	2,945,000
Schedule:	
(a) 30-Health Professions Development (Family Physician Training)	4,345,000
(b) Amount payable from the Federal Trust Fund (Item 4140-101-890) ..	-1,000,000
(c) Reimbursements.....	-400,000
Provisions:	
1. Notwithstanding subdivision (a) of Section 2.00 of this act, or any other provision of law, the funds appropriated in this item for contracts with accredited medical schools or programs that train primary care physicians' assistants, as well as contracts with hospitals or other health care delivery systems located in California, which meet the standards of the Health Manpower Policy Commission established pursuant to Chapter 1 (commencing with Section 69270) of Part 42 of Division 5 of Title 3 of the Education Code, shall continue to be available for the	

Item	Amount
1995-96, 1996-97, and 1997-98 fiscal years. The amount appropriated by this item shall only be used for such contracts which commence on or after July 1, 1995.	
4140-101-890—For local assistance, Office of Statewide Health Planning and Development, for payment to Item 4140-101-001, payable from the Federal Trust Fund	1,000,000
4140-490—Reappropriation—Office of Statewide Health Planning and Development. Notwithstanding any other provision of law, the balance of the appropriation made by Item 4140-001-181 of the Budget Act of 1993 is reappropriated for the purposes of providing nursing scholarships and educational loan repayment assistance to underrepresented minorities and others who agree, in exchange for the educational assistance they receive, to a period of obligated professional service in areas of California designated by the state Health Manpower Policy Commission as deficient in primary care health services.	
4170-001-001—For support of Department of Aging Schedule:	3,616,000
(a) 10-Nutrition	2,799,000
(b) 20-Senior Community Employment Service.....	417,000
(c) 30-Supportive Services and Centers.....	2,325,000
(d) 40-Special Projects.....	4,243,000
(e) 50.01-Administration	5,606,000
(f) 50.02-Distributed Administration ..	-5,606,000
(g) Reimbursements.....	-1,927,000
(h) Amount payable from the Federal Trust Fund (Item 4170-001-890) ..	-4,241,000
Provisions:	
1. The Director of Finance may authorize the transfer of funds between this item and Item 4170-101-001 no sooner than 30 days after written notification to the chairpersons of the fiscal committees of each house and the Chairperson of the Joint Legislative Budget Committee, or not sooner than whatever lesser time the Chairperson of the Joint Legislative Budget Committee may determine. The notification shall include: (a) the amount of the proposed transfer; (b) an identification of the purposes for which the funds will be used; (c) documentation that	

Item	Amount
<p>the proposed activities must be carried out in the current year and that no other funds are available for their support; and (d) the impact of any transfer on the level of services.</p>	
<p>4170-001-890—For support of Department of Aging, for payment to Item 4170-001-001, payable from the Federal Trust Fund</p>	4,241,000
<p>Provisions:</p>	
<p>1. The Director of the Department of Finance may authorize the transfer of funds between this item and Item 4170-101-890 no sooner than 30 days after written notification to the chairpersons of the fiscal committees of each house and the Chairperson of the Joint Legislative Budget Committee, or not sooner than whatever lesser time the Chairperson of the Joint Legislative Budget Committee may determine. The notification shall include: (1) the amount of the proposed transfer; (2) an identification of the purposes for which the funds will be used; (3) documentation that the proposed activities must be carried out in the current year and that no other funds are available for their support; and (4) the impact of any transfer on the level of services.</p>	
<p>4170-101-001—For local assistance, Department of Aging</p>	28,981,000
<p>Schedule:</p>	
<p>(a) 10-Nutrition</p>	61,755,000
<p>(b) 20-Senior Community Employment Service.....</p>	6,207,000
<p>(c) 30-Supportive Services and Centers.....</p>	35,056,000
<p>(d) 40-Special Projects.....</p>	29,282,000
<p>(e) Reimbursements.....</p>	—12,567,000
<p>(f) Amount payable from the Federal Trust Fund (Item 4170-101-890) ..</p>	—90,752,000
<p>Provisions:</p>	
<p>1. Provision 1 of Item 4170-001-001 is also applicable to this item.</p>	
<p>2. Notwithstanding Section 6.50 of this act, the Department of Finance upon notification by the Department of Aging may authorize transfers between Program 10—Nutrition and Program 30—Supportive Services and Centers in response to budget revisions submitted by the Area Agencies on Aging.</p>	

Item	Amount
4170-101-890—For local assistance, Department of Aging, for payment to Item 4170-101-001, payable from the Federal Trust Fund	90,752,000
Provisions:	
1. Provision 1 of Item 4170-001-890 is also applicable to this item.	
2. Notwithstanding subdivision (c) of Section 28.00 of this act, the Department of Finance upon notification by the Department of Aging may authorize augmentations in this item for budget revisions submitted by Area Agencies on Aging and approved by the Department of Aging for estimated entitlements of per-meal reimbursements from the U.S. Department of Agriculture and for funds allocated to Area Agencies on Aging for federal Title III one-time-only allocations in accordance with subdivision (c) of Section 9315 of the Welfare and Institutions Code.	
3. Notwithstanding Section 6.50 of this act, the Department of Finance upon notification by the Department of Aging may authorize transfers between Program 10—Nutrition and Program 30—Supportive Services and Centers in response to budget revisions submitted by the Area Agencies on Aging.	
4180-001-983—For support of Commission on Aging, payable from the California Fund for Senior Citizens	359,000
Provisions:	
1. Funds appropriated in this item from the California Fund for Senior Citizens shall be allocated by the Commission on Aging for the purposes specified in Section 18512 of the Revenue and Taxation Code.	
2. Pursuant to Section 18512 of the Revenue and Taxation Code, the unencumbered balance of this item as well as the unencumbered balance of prior year appropriations from the California Fund for Senior Citizens may be carried over and expended in any following fiscal year.	
4180-002-886—For support of Commission on Aging, payable from the California Seniors Special Fund	96,000
Provisions:	
1. Pursuant to Section 18514.2 of the Revenue and Taxation Code, the unencumbered balance of this item as well as the unencumbered balance of prior year appropriations from the California	

Item	Amount
<p>Seniors Special Fund may be carried over and expended in any following fiscal year.</p>	
4180-002-890—For support of Commission on Aging, payable from the Federal Trust Fund	254,000
4200-001-001—For support of the Department of Alcohol and Drug Programs	4,088,000
Schedule:	
(a) 15-Alcohol and Other Drug Services Program	22,929,000
(b) 30.01-State administration	8,104,000
(c) 30.02-State administration—distributed.....	-8,104,000
(d) Reimbursements.....	-1,407,000
(e) Amount payable from Drinking Driver Program Licensing Trust Fund (Item 4200-001-139)	-1,800,000
(f) Amount payable from Methadone Program Licensing Trust Fund (Item 4200-001-243).....	-791,000
(g) Amount payable from Audit Repayment Trust Fund (Item 4200-001-816).....	-67,000
(h) Amount payable from the Federal Trust Fund (Item 4200-001-890) ..	-14,776,000
Provisions:	
1. Upon order of the Department of Finance, the Controller shall transfer such funds as are necessary between this item and Item 4200-101-001.	
2. The Director of the Department of Finance may authorize the transfer of the support General Fund appropriation among the Alcohol and Other Drug Services Program, and the Administration Program in response to shifts in workload among the two programs.	
3. If funding for the conference of the National Association of State Alcohol and Drug Abuse Directors, held in the City of San Diego in June of 1994, is not a reimbursable federal fund expenditure, the Department of Alcohol and Drug Programs shall redirect funds within its state operations budget to provide the necessary funds for that purpose.	
4200-001-139—For support of the Department of Alcohol and Drug Programs, for payment to Item 4200-001-001, payable from the Drinking Driver Program Licensing Trust Fund.....	1,800,000

Item	Amount
Provisions:	
1. Notwithstanding any other provision of law, the Director of the Department of Finance may authorize expenditures for the Drinking Driver Program Licensing Trust Fund in excess of the amount appropriated not sooner than 30 days after notification in writing of the necessity therefor is provided to the chairpersons of the fiscal committees and the Chairperson of the Joint Legislative Budget Committee, or not sooner than whatever lesser time the chairperson of the committee, or his or her designee, may in each instance determine.	
4200-001-243—For support of the Department of Alcohol and Drug Programs, for payment to Item 4200-001-001, payable from the Methadone Program Licensing Trust Fund.....	791,000
Provisions:	
1. Notwithstanding any other provision of law, the Director of the Department of Finance may authorize expenditures for the Methadone Program Licensing Trust Fund in excess of the amount appropriated not sooner than 30 days after notification in writing of the necessity therefor is provided to the chairpersons of the fiscal committees and the Chairperson of the Joint Legislative Budget Committee, or not sooner than whatever lesser time the chairperson of the committee, or his or her designee, may in each instance determine.	
4200-001-816—For support of the Department of Alcohol and Drug Programs, for payment to Item 4200-001-001, payable from the Audit Repayment Trust Fund.....	67,000
4200-001-890—For support of the Department of Alcohol and Drug Programs, for payment to Item 4200-001-001, payable from the Federal Trust Fund	14,776,000
Provisions:	
1. Any provision of Item 4200-001-001 relevant to this item also shall be applicable to this item.	
4200-101-001—For local assistance, Department of Alcohol and Drug Programs.....	62,258,000
Schedule:	
(a) 15-Alcohol and Other Drug Services Program	271,567,000
(b) Reimbursements.....	—24,022,000

Item	Amount
(c) Amount payable from the Federal Trust Fund (Item 4200-101-890) ..	-185,143,000
(d) Amount payable from Resident-Run Housing Revolving Fund (Item 4200-101-977)	-144,000
Provisions:	
1. Upon order of the Department of Finance, the Controller shall transfer funds as are necessary between this item and Item 4200-001-001.	
2. Upon approval of the Department of Finance, one or more short-term loans not to exceed a cumulative total of \$66,185,000 may be made available from the General Fund when there is a delay in the allocation of federal Substance Abuse Prevention and Treatment (SAPT) Block Grant funds to California. The loans shall be repaid, with interest calculated pursuant to subdivision (a) of Section 16314 of the Government Code, upon receipt of the federal SAPT Block Grant.	
4200-101-890—For local assistance, Department of Alcohol and Drug Programs, for payment to Item 4200-101-001, payable from the Federal Trust Fund .	185,143,000
Provisions:	
1. Any provision of Item 4200-101-001 relevant to this item also shall be applicable to this item.	
2. The Department of Alcohol and Drug Programs shall require county offices of alcohol and drug programs to give funding priority, within the funds expended on youth prevention programs, to establishing, expanding, or improving programs that target high-risk youth.	
4200-101-977—For local assistance, Department of Alcohol and Drug Programs, for payment to Item 4200-101-001, payable from the Resident-Run Housing Revolving Fund	144,000
Provisions:	
1. To the extent that moneys available in the Resident-Run Housing Revolving Trust Fund are less than the amount appropriated in this item, this appropriation shall be limited to that lesser amount.	
2. Notwithstanding any other provision of law, if revenues and loan repayments to the Resident-Run Housing Revolving Trust Fund are sufficient to create additional allocation workload, the Director of Finance may authorize expenditures for the Department of Alcohol and Drug	

Item	Amount
<p>Programs in excess of the amount appropriated not sooner than 30 days after notification in writing of the necessity therefor is provided to the chairpersons of the fiscal committees and the Chairperson of the Joint Legislative Budget Committee, or not sooner than whatever lesser time the chairperson of the committee, or his or her designee, may in each instance determine.</p>	
<p>4200-102-001—For local assistance, Department of Alcohol and Drug Programs, for perinatal substance abuse treatment programs.....</p>	16,214,000
<p>Schedule:</p>	
<p>(a) 15-Alcohol and Other Drug Services Program</p>	28,144,000
<p>(b) Reimbursements.....</p>	-11,930,000
<p>Provisions:</p>	
<p>1. Upon order of the Department of Finance, the Controller shall transfer funds as are necessary between this item and Item 4200-001-001 for support costs associated with the perinatal substance abuse treatment programs.</p>	
<p>4220-001-001—For support of Child Development Programs Advisory Committee appointed pursuant to Section 8254 of the Education Code</p>	238,000
<p>Schedule:</p>	
<p>(a) 10-Continuing program costs</p>	239,000
<p>(b) Reimbursements.....</p>	-1,000
<p>4260-001-001—For support of Department of Health Services</p>	155,545,000
<p>Schedule:</p>	
<p>(1) 10-Public and Environmental Health.....</p>	169,107,000
<p>(2) 20-Health Care Services.....</p>	332,915,000
<p>(3) 30.01-Departmental Administration</p>	62,799,000
<p>(4) 30.02-Departmental Administration Distributed</p>	-60,529,000
<p>(5) Reimbursements.....</p>	-17,598,000
<p>(6) Amount payable from the Breast Cancer Fund (Item 4260-001-004)</p>	-8,931,000
<p>(7) Amount payable from the Nuclear Planning Assessment Special Account (Item 4260-001-029)</p>	-488,000
<p>(8) Amount payable from the Motor Vehicle Account, State Transportation Fund (Item 4260-001-044) ..</p>	-373,000

Item	Amount
(9) Amount payable from the Occupational Lead Poisoning Prevention Account, General Fund (4260-001-070)	-1,481,000
(10) Amount payable from the Medical Waste Management Fund (Item 4260-001-074)	- 830,000
(11) Amount payable from the Radiation Control Fund (Item 4260-001-075)	-7,471,000
(12) Amount payable from the Tissue Bank License Fund (Item 4260-001-076)	-190,000
(13) Amount payable from the Childhood Lead Poisoning Prevention Fund (Item 4260-001-080)	-3,895,000
(14) Amount payable from the Export Document Program Fund (Item 4260-001-082)	-133,000
(15) Amount payable from the Radon Contractor Certification Fund (Item 4260-001-092)	- 7,000
(16) Amount payable from the Wine Safety Fund (Item 4260-001-116)	-158,000
(17) Amount payable from the Water Device Certification Special Account (Item 4260-001-129)	-57,000
(18) Amount payable from the AIDS Vaccine Research and Development Grant Fund (Item 4260-001-135)	- 6,000
(19) Amount payable from the Vital Records Improvement Project Fund (Item 4260-001-137)	-1,546,000
(20) Amount payable from the Food Safety Fund (Item 4260-001-177)	-2,049,000
(21) Amount payable from the Environmental Laboratory Improvement Fund (Item 4260-001-179) .	-1,942,000
(22) Amount payable from the Genetic Disease Testing Fund (Item 4260-001-203)	-55,991,000
(23) Amount payable from the Low-Level Radioactive Waste Disposal Fund (Item 4260-001-227) .	-1,250,000

Item	Amount
(24) Amount payable from the Research Account, Cigarette and Tobacco Products Surtax Fund (Item 4260-001-234)	-1,696,000
(25) Amount payable from the Safe Drinking Water Account, General Fund (Item 4260-001-306) ...	-7,572,000
(26) Amount payable from the Registered Environmental Health Specialist Fund (Item 4260-001-335)	-167,000
(27) Amount payable from the Mosquitoborne Disease Surveillance Account (Item 4260-001-478)	-27,000
(28) Amount payable from the Emergency Services and Supplemental Payments Fund (Item 4260-001-693)	-103,000
(29) Amount payable from the California Alzheimer's and Related Disorders Research Fund (Item 4260-001-823)	-389,000
(30) Amount payable from the Medical Inpatient Adjustment Fund (Item 4260-001-834)	-778,000
(31) Amount payable from the Federal Trust Fund (Item 4260-001-890)	-233,400,000
(32) Amount payable from the Local Health Capital Expenditure Account, County Health Services Fund (Item 4260-001-900)	-17,000
(33) Amount payable from the California Breast Cancer Research Fund (Item 4260-001-945)	-202,000

Provisions:

1. Of the total amount of reimbursements in this item, \$1,200,000 shall be available for administration, research, and training projects with other state departments as submitted with the 1994-95 Governor's Budget. The Department of Health Services shall process a budget revision for each project through the Department of Finance prior to any expenditure of funds and shall provide notification pursuant to Section 28.00 of this act for any new project or any increase in excess of \$200,000 of an identified project.

Item	Amount
<p>2. Except as otherwise prohibited by law, the department shall promulgate emergency regulations to adjust the public health fees set by regulation to an amount, such that if the new fees were effective throughout the 1994-95 fiscal year, the estimated revenues would be sufficient to offset at least 95% of the approved program level intended to be supported by such fees. This provision shall not apply to the fees for shellfish certificates. For radioactive materials licenses, the approved program level shall be calculated based on the total approved program level less the portion of the total approved program level attributable to fee-exempt facilities.</p> <p>3. Effective July 1, 1994, the annual fee for a general acute care hospital, acute psychiatric hospital, special hospital, general acute care rehabilitation hospital and chemical dependency recovery hospital shall be \$59.89 per bed. Effective July 1, 1994, the annual fee for a skilled nursing facility, intermediate care facility, or intermediate care facility for the developmentally disabled is \$155.26 per bed.</p> <p>Department of Health Services' fees subject to the annual fee adjustment pursuant to subdivision (a) of Section 115 of the Health and Safety Code, shall remain the same as those that were in effect during the 1993-94 fiscal year.</p> <p>Notwithstanding subdivision (b) of Section 116 of the Health and Safety Code, departmental fees subject to the annual fee adjustment pursuant to subdivision (a) of Section 116 of the Health and Safety Code, shall remain the same as those which were in effect during the 1993-94 fiscal year.</p> <p>Departmental fees subject to the annual fee increase provisions of subdivision (a) of Section 113 and subdivision (a) of Section 114 of the Health and Safety Code shall be increased 0.5 percent.</p> <p>4. The Department of Health Services shall establish a system of fees for various services and programs including any voluntary or mandatory population-based screening programs provided by the Genetic Disease Branch. The fee shall be sufficient to cover the total costs of providing all such genetic disease or population-based screen-</p>	

Item	Amount
ing services and programs provided by the Genetic Disease Branch.	
5. It is the intent of the Legislature that the Office of the State Registrar be fully supported by fees.	
7. In the expenditure of the \$5,756,000 augmentation for licensing and certification activities, the department shall give priority to the following activities: (a) expanding the department's ability to monitor compliance with state licensure requirements, (b) resolving the staffing, application processing, and workload issues that exist in the Nurse Aide Certification Unit, and (c) developing a plan, to be provided to the Legislature by March 1, 1995, to address the fee methodology and subsidy issues described in the performance audit conducted by the State Auditor (report number 93020, issues two and three).	
8. All fee revenues collected for the purposes of providing licensing and certification review and assistance shall only be used to pay for expenditures incurred in providing these services.	
9. The Education Now And Babies Later Program shall include some discussion of postponing sex until marriage.	
4260-001-004—For support of Department of Health Services, for payment to Item 4260-001-001, payable from the Breast Cancer Fund	8,931,000
4260-001-029—For support of Department of Health Services, for payment to Item 4260-001-001, payable from the Nuclear Planning Assessment Account	488,000
4260-001-044—For support of Department of Health Services, for payment to Item 4260-001-001, payable from the Motor Vehicle Account, State Transportation Fund	373,000
4260-001-070—For support of Department of Health Services, for payment to Item 4260-001-001, payable from the Occupational Lead Poisoning Prevention Account, General Fund	1,481,000
Provisions:	
1. The Occupational Lead Poisoning Prevention Fund shall be exempt for \$407,000 of the transfer amount otherwise required by the provisions of Section 13.80 of the Budget Act of 1993 (Chapter 55, Statutes of 1993).	

Item	Amount
4260-001-074—For support of Department of Health Services, for payment to Item 4260-001-001, payable from the Medical Waste Management Fund.	830,000
4260-001-075—For support of Department of Health Services, for payment to Item 4260-001-001, payable from the Radiation Control Fund	7,471,000
4260-001-076—For support of the Department of Health Services, for payment to Item 4260-001-001, payable from the Tissue Bank License Fund	190,000
4260-001-080—For support of the Department of Health Services, for payment to Item 4260-001-001, payable from the Childhood Lead Poisoning Prevention Fund	3,895,000
Provisions:	
1. From the amount appropriated in this item for Childhood Lead Poisoning Prevention Program activities, the department shall give priority to the development of a standard of care that includes both (a) up-to-date medical and scientific knowledge, and (b) outreach and education to at-risk families, medical providers, and social services programs.	
4260-001-082—For support of the Department of Health Services, for payment to Item 4260-001-001, payable from the Export Document Program Fund.....	133,000
4260-001-092—For support of the Department of Health Services, for payment to Item 4260-001-001, payable from the Radon Contractor Certification Fund	7,000
4260-001-116—For support of Department of Health Services, for payment to Item 4260-001-116, payable from the Wine Safety Fund	158,000
4260-001-129—For support of Department of Health Services, for payment to Item 4260-001-001, payable from the Water Device Certification Special Account	57,000
4260-001-135—For support of the Department of Health Services, for payment to Item 4260-001-001, payable from the AIDS Vaccine Research and Development Grant Fund.....	6,000
4260-001-137—For support of Department of Health Services, for payment to Item 4260-001-001, payable from the Vital Records Improvement Project Fund	1,546,000

Item	Amount
4260-001-177—For support of the Department of Health Services, for payment to Item 4260-001-001, payable from the Food Safety Fund	2,049,000
4260-001-179—For support of the Department of Health Services, for payment to Item 4260-001-001, payable from the Environmental Laboratory Improvement Fund	1,942,000
4260-001-203—For support of Department of Health Services, for payment to Item 4260-001-001, payable from the Genetic Disease Testing Fund	55,991,000
Provisions:	
1. The limitations of Item 9840-001-494 shall not apply to any deficiency expenditure authorization for the Department of Health Services, payable from the Genetic Disease Testing Fund.	
2. The Legislature finds that timely implementation of the Triple Marker Screening Program requires expeditious regulatory and administrative procedures to obtain the most cost-effective electronic data processing, hardware, software services, testing equipment, and testing services contracts.	
The expenditure of funds from this item for these purposes shall not be subject to the provisions of Chapter 2 (commencing with Section 10290) of Part 2 of Division 2 of the Public Contract Code. The Department of Health Services shall provide the Department of Finance with documentation justifying that equipment and services have been obtained at the lowest cost and consistent with technical requirements for a comprehensive high-quality program.	
4260-001-227—For support of the Department of Health Services, for payment to Item 4260-001-001, payable from the Low-Level Radioactive Waste Disposal Fund.....	1,250,000
Provisions:	
1. Upon the request of the Department of Health Services and the approval of the Director of Finance, a General Fund loan of up to \$1,000,000 shall be made to the Low-Level Radioactive Waste Disposal Fund. The loan shall be repaid upon receipt of fees collected from the disposal of low-level radioactive waste by generators once the Ward Valley site becomes operational. Accrued interest shall also be repaid in accor-	

Item	Amount
dance with Section 16314 of the Government Code.	
4260-001-234—For support of Department of Health Services, for payment to Item 4260-001-001, payable from the Research Account, Cigarette and Tobacco Products Surtax Fund	1,696,000
4260-001-306—For support of Department of Health Services, for payment to Item 4260-001-001, payable from the Safe Drinking Water Account, General Fund.....	7,572,000
4260-001-335—For support of Department of Health Services, for payment to Item 4260-001-001, payable from the Registered Environmental Health Specialist Fund	167,000
Provisions:	
1. The limitations of Item 9840-001-494 shall not apply to any deficiency expenditure authorization for the Department of Health Services, payable from the Registered Environmental Health Specialist Fund.	
4260-001-478—For support of Department of Health Services, for payment to Item 4260-001-001, payable from the Mosquitoborne Disease Surveillance Account	27,000
4260-001-693—For support of the Department of Health Services, for payment to Item 4260-001-001, payable from the Emergency Services and Supplemental Payments Fund.....	103,000
Provisions:	
1. To the extent that moneys available in the Emergency Services and Supplemental Payments Fund are less than the amount appropriated in this item, this appropriation shall be limited to that lesser amount.	
2. Notwithstanding any other provision of law, if revenues to the Emergency Services and Supplemental Payments Fund are sufficient to create additional allocation workload, the Director of Finance may authorize expenditures for the Department of Health Services in excess of the amount appropriated not sooner than 30 days after notification in writing of the necessity therefor is provided to the chairpersons of the fiscal committees and the Chairperson of the Joint Legislative Budget Committee, or not sooner than whatever lesser time the chairperson of the	

Item	Amount
committee, or his or her designee, may in each instance determine.	
3. Moneys appropriated by this item and augmentations authorized pursuant to Provision 2 may be transferred by executive order approved by the Director of Finance from the Department of Health Services to the California Medical Assistance Commission if revenues to the Emergency Services and Supplemental Payments Fund are sufficient to create allocation workload for that commission.	
4260-001-823—For support of the Department of Health Services, for payment to Item 4260-001-001, payable from the California Alzheimer’s and Related Disorders Research Fund.....	389,000
Provisions:	
1. The limitations of Item 9840-001-494 shall not apply to any deficiency expenditure authorization for the Department of Health Services, payable from the California Alzheimer’s and Related Disorders Research Fund.	
4260-001-834—For support of the Department of Health Services, for payment to Item 4260-001-001, payable from the Medi-Cal Inpatient Payment Adjustment Fund.....	778,000
4260-001-890—For support of Department of Health Services, for payment to Item 4260-001-001, payable from the Federal Trust Fund.....	233,400,000
Provisions:	
1. The limitations and conditions applicable to Item 4260-001-001 are also applicable to this item if appropriate.	
2. Of the funds appropriated in this item, \$55,997,000 shall be transferred to the Public Health Federal Fund and shall be available for administration, research, and training projects as submitted with the Governor’s Budget for the 1994-95 fiscal year. The Department of Health Services shall provide notification pursuant to Section 28.00 of this act for any new project or any increase in excess of \$200,000 of an identified project.	
4260-001-900—For support of Department of Health Services, in lieu of the amounts which would otherwise be appropriated in the Local Health Capital Expenditure Account of the County Health Services Fund pursuant to Chapter 1351, Statutes of	

Item	Amount
1980, for payment to Item 4260-001-001, payable from the Local Health Capital Expenditure Account	17,000
Provisions:	
1. The limitations of Item 9840-001-988 shall not apply to any deficiency expenditure authorization for the Department of Health Services, payable from the Local Health Capital Expenditure Account.	
4260-001-945—For support of Department of Health Services, for payment to Item 4260-001-001, payable from the California Breast Cancer Research Fund.....	202,000
4260-002-942—For support of Department of Health Services, payable from the Health Facilities Citation Penalties Account, Special Deposit Fund	1,000,000
4260-007-890—For support of Department of Health Services, payable from the Federal Trust Fund....	18,754,000
Provisions:	
1. Notwithstanding limitations and conditions of provisions of Section 28.00 of this act, adjustments may be made to align the federal funds for legislative actions and other technical adjustments affecting the recipient department's appropriation authority.	
4260-101-001—For local assistance, Department of Health Services, Medical Assistance Program, payable from the Health Care Deposit Fund (912) after transfer from the General Fund	5,959,747,000
Schedule:	
(a) 20.10.030-Benefits (Medical Care and Services)	14,155,521,000
(b) 20.10.010-Eligibility (County Administration)	1,361,656,000
(c) 20.10.020-Fiscal Intermediary Management.....	110,528,000
(d) Prior Fiscal Year Reconciliation ..	0
(e) Reimbursements.....	200,000,000
(f) Amount payable from the Federal Trust Fund (Item 4260-101-890)	-9,390,896,000
(g) Amount payable from Federal Trust Fund (Item 4260-103-890) ..	-77,062,000
Provisions:	
1. The aggregate principal amount of disproportionate share hospital general obligation debt which may be issued in the 1994-95 fiscal year	

Item	Amount
<p>pursuant to subparagraph (A) of paragraph (2) of subdivision (f) of Section 14085.5 of the Welfare and Institutions Code shall be \$0.</p> <p>2. Notwithstanding any other provision of law, both the federal and nonfederal shares of any money recovered for previously paid health care services, provided pursuant to Chapter 7 (commencing with Section 14000) of Part 3 of Division 9 of the Welfare and Institutions Code, are hereby appropriated and shall be expended as soon as practicable for medical care and services as defined in the Welfare and Institutions Code.</p> <p>3. Notwithstanding any other provision of law, accounts receivable, for recoveries as described in Provision 2 above, shall have no effect upon the positive balance of the General Fund or the Health Care Deposit Fund. Notwithstanding any other provision of law, money recovered as described in this item required to be transferred from the Health Care Deposit Fund to the General Fund shall be credited by the Controller to the General Fund without regard to the appropriation from which it was drawn.</p> <p>4. Without regard to fiscal year, the General Fund shall make one or more loans available not to exceed a cumulative total of \$45,000,000 to be transferred as needed to the Health Care Deposit Fund to meet cash needs. The loans are subject to repayment provisions of Section 16351 of the Government Code. Any additional loan requirement in excess of \$45,000,000 shall be processed in the manner prescribed by Section 16351 of the Government Code.</p> <p>5. Notwithstanding any other provision of law, the Director of Health Services may give public notice relative to proposing or amending any rule or regulation that could result in increased costs in the Medi-Cal program only after approval by the Department of Finance as to the availability of funds; and any rule or regulation adopted by the Director of Health Services and any communication that revises the Medi-Cal program shall be effective only from and after the date upon which it is approved as to availability of funds by the Department of Finance.</p>	

Item

Amount

6. The reimbursement rate for any procedure or service shall not be increased to exceed the Medicare rate for a comparable procedure or service, nor shall the reimbursement rate for any procedure or service that is currently above the Medicare rate be increased above its current level.
7. Of the funds appropriated by this item, up to \$50,000 may be allocated for attorney's fees pursuant to Section 10962 of the Welfare and Institutions Code without prior notification to the Legislature. Individual settlements authorized under this language shall not exceed \$5,000. The semiannual estimates of Medi-Cal expenditures due to the Legislature in January and May shall reflect attorney fees paid 15 or more days prior to the transmittal of the estimate.
8. When a date for public hearing has been established for a change in any program, rule, or regulation, the two fiscal committees and the Joint Legislative Budget Committee shall be notified if the annual General Fund cost of the proposed change is \$1,000,000 or more.
9. Change orders to the medical or the dental fiscal intermediary contract for amounts exceeding a total cost of \$250,000 shall be approved by the Director of Finance not sooner than 30 days after written notification of the change order is provided to the chairpersons of the fiscal and policy committees in each house and to the Chairperson of the Joint Legislative Budget Committee or not sooner than such lesser time as the Chairperson of the Joint Legislative Budget Committee, or his or her designee, may designate. If there are changes or potential changes in federal funding, the Department of Finance shall provide timely written notification of the changes to the chairperson of the fiscal committee in each house and the Chairperson of the Joint Legislative Budget Committee. The semiannual estimates of Medi-Cal expenditures due to the Legislature in January and May may constitute the notification required by this provision.
10. Recoveries of advances made to counties in prior years pursuant to Section 14153 of the

Item	Amount
<p>Welfare and Institutions Code are hereby re-appropriated to the Health Care Deposit Fund for reimbursement of those counties where allowable costs exceeded the amounts advanced. Recoveries in excess of the amounts required to fully reimburse allowable costs shall be transferred to the General Fund. When a projected deficiency exists in the Medical Assistance Program, these funds, subject to notification to the Chairperson of the Joint Legislative Budget Committee, are hereby appropriated and shall be expended as soon as practicable for the state's share of payments for medical care and services, county administration, and fiscal intermediary services.</p> <ol style="list-style-type: none"> 11. Amounts identified as abatements to the county medical services program for retroactive aid to the Totally Dependent Program claims shall be transferred from the Health Care Deposit Fund to the county medical services program without regard to fiscal year. 12. The Department of Finance may transfer funds representing all or any portion of any estimated savings that are a result of improvements in the Medi-Cal claims processing procedures, from the Medi-Cal services budget or the support budget of the Department of Health Services (Item 4260-001-001) to the fiscal intermediary budget item for purposes of making improvements to the Medi-Cal claims system. 13. Upon order of the Director of Finance, the Controller shall transfer such funds as are necessary between this item and Item 4300-101-001 for the state's share of expenditures for developmental services provided to persons eligible for Medi-Cal. 14. Medi-Cal savings incurred by the Health Insurance Premium Payment Program resulting from federally funded health insurance premium subsidies may be used for persons with HIV prior to Medi-Cal eligibility to add additional drug therapies to the AIDS drug program. 15. Notwithstanding the provisions of subdivision (a) of Section 2.00 and Section 6.50 of this act, the Department of Finance may authorize 	

Item	Amount
transfer of expenditure authority between Schedule (a), (b), or (c) and Schedule (d). Schedule (d) may be used for the liquidation of prior years' excess obligations of Item 4260-101-001.	
The Director of Finance shall notify the Legislature within ten days of authorizing such a transfer unless prior notification of the transfer has been included in the Medi-Cal estimates submitted pursuant to Section 14100.5 of the Welfare and Institutions Code.	
16. The State Department of Health Services shall permit beneficiaries of the funds appropriated by this item for geographic managed care free choice of provider if the California Medical Assistance Commission determines, through monitoring, that the quality of care and access to providers is not adequate. The California Medical Assistance Commission shall notify the Legislature and the department of such a determination.	
4260-101-693—Notwithstanding any other provision of law, moneys available in the Emergency Services and Supplemental Payments Fund, after the appropriation made by Item 4260-001-693 of this act, are hereby appropriated to the Department of Health Services for expenditure for local assistance for the purposes specified in Chapter 996, Statutes of 1989, as amended by Chapter 993, Statutes of 1992. Any funds encumbered pursuant to this provision shall be reported by the Department of Health Services to the Director of Finance and the Legislative Analyst on a quarterly basis.	
4260-101-890—For local assistance, Department of Health Services, for payment to Item 4260-101-001, payable from the Federal Trust Fund	9,390,896,000
Provisions:	
1. Any of the provisions in Item 4260-101-001 that are relevant to this item shall also be applicable to this item.	
4260-102-001—For local assistance, Department of Health Services, Program 20.10.030-Benefits (Medical Care and Services), for supplemental reimbursement for debt service pursuant to Section 14085.5 of the Welfare and Institutions Code.....	9,990,000

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4260-102-890—For local assistance, Department of Health Services, Program 20.10.030 (Medical Care and Services), for supplemental reimbursement for debt service pursuant to Section 14085.5 of the Welfare and Institutions Code	9,990,000
4260-103-890—For local assistance, for refugee services, Department of Health Services, for payment to Item 4260-101-001, payable from the Federal Trust Fund.....	77,062,000
Provisions:	
1. Any of the provisions in Item 4260-101-001 that are relevant to this item shall also be applicable to this item.	
4260-111-001—For local assistance, Department of Health Services.....	286,707,000
Schedule:	
(a) 10.10.010-Vital Records Improvement Project.....	300,000
(b) 10.30.030-Health Risk Assessment.....	10,500,000
(c) 10.30.040-Chronic Diseases	16,275,000
(d) 10.30.050-Communicable Disease Control.....	53,624,000
(e) 10.30.060-AIDS	89,369,000
(f) 20.30-County Health Services	21,530,000
(g) 20.40-Primary Care and Family Health.....	789,841,000
(gx) Reimbursements-Family Health Services, CCS Enrollment Fees, and GHPP Repayments	-724,000
(h) Reimbursements-Primary Care and Family Health, WIC Rebates and Recoveries.....	-146,000,000
(j) Amount payable from the Breast Cancer Fund (Item 4260-111-004)	-9,043,000
(k) Amount payable from the Childhood Lead Poisoning Prevention Fund (4260-111-080)	-11,677,000
(l) Amount payable from the Vital Records Improvement Fund (Item 4260-111-137)	-300,000
(m) Amount payable from the Federal Trust Fund (Item 4260-111-890)	-526,988,000
Provisions:	
1. Program 10.30.050-Communicable Disease Control:	
(a) Of the funds appropriated in Schedule (d), up to \$14,000,000 shall be available for the	

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purposes of funding rate increases to Medi-Cal providers for the administration of childhood immunizations. Upon order of the Director of the Department of Finance, the Controller shall transfer such funds as are necessary between this schedule and Item 4260-101-001.

(b) Of the funds appropriated in Schedule (d) from the General Fund savings from vaccine for immunization activities,\$20,000,000 shall be used for the following programs:

(1) Development of a state-wide network of local immunization tracking systems 3,500,000

(2) Grants for immunization activities, to be made to primary care clinics that are either licensed under paragraph (1) or (2) of subdivision (a) of Section 1204 of the Health and Safety Code or exempt from licensure under subdivision (c) of Section 1206 of the Health and Safety Code 3,000,000

(3) Grants for collaborative, creative efforts designed to identify and immunize children who are not currently receiving services due to cultural, linguistic, or geographic access barriers 3,500,000

(4) Augmentations to the Child Health and Disability Program and the Medi-Cal program for a reimbursement rate increase for the administration of vaccines 10,000,000

(c) The State Department of Health Services shall, in consultation with the Legislature, associations representing providers of health care services to women and children, advocates for children, and county public

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and maternal and child health departments, develop both of the following:

- (1) Accountability standards for providers participating in immunization activities.
 - (2) A process for awarding grants pursuant to paragraph (3) of subdivision (b) of this provision.
- (d) The State Department of Health Services shall require counties that receive federal or state funds for immunization activities to involve all providers, including private and primary care clinics, in the development of the local immunization action plan.
2. Program 10.30.060-AIDS:
- (a) The Office of AIDS, in allocating and processing contracts and grants, shall comply with the same requirements as are established for contracts and grants for other public health programs. Specifically: (1) the office shall develop request-for-proposals that include the standards pursuant to which the proposals will be evaluated; (2) the office shall use an evaluation and selection committee consisting of persons with expertise in reviewing proposals; (3) it may negotiate the terms and conditions of the contracts and grants; (4) it may reject any and all contracts or grants; and (5) it shall publish a timetable and develop appropriate outreach efforts to assure that the request for a proposal reaches appropriate recipients of funds. The contracts or grants administered by the Office of AIDS shall be exempt from the Public Contract Code and shall be exempt from approval by the Department of Finance and the State Department of General Services prior to their execution.
 - (b) The Department of Health Services, Office of AIDS may subsidize the health insurance premiums for persons who are eligible to receive AIDS drug treatment under the AIDS Drug Program, under the following conditions:

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<ul style="list-style-type: none"> (1) The eligible person's health insurance covers drug treatments available through the AIDS Drug Program. (2) The annual cost of the health insurance premiums do not exceed the annual cost of providing AIDS drugs for the eligible person. (c) The Department of Health Services, Office of AIDS, shall use behavioral survey data, as provided through AIDS-related research activities conducted by the University of California, in conjunction with epidemiological information to assist in targeting HIV education and prevention efforts. 	
3. Program 20.30-County Health Services:	
<ul style="list-style-type: none"> (a) Notwithstanding any other provisions of law, any money recovered for previously paid health care services and interest earned by the CMSP fund are hereby appropriated and shall be expended as soon as practicable for medical care and services as defined in the Welfare and Institutions Code. 	
4. Program 20.40-Primary Care and Family Health:	
<ul style="list-style-type: none"> (a) Notwithstanding the provisions of Section 28.00 of this act, the Department of Finance, upon request by the Department of Health Services, may authorize and approve a budget revision to augment Schedule (h) Primary Care and Family Health, WIC Rebates and Recoveries, in this item for any additional rebate moneys or recoveries that become available for the Women, Infants, and Children (WIC) Supplemental Food Program during this fiscal year. (b) The Department of Health Services shall take all necessary steps to ensure that family planning funds unexpended at the end of the 1994-95 fiscal year be redistributed to the 1994-95 fiscal year family planning contract agencies. (c) The department shall continue a phased-in transfer of CCS case management activities to dependent counties or to other alternative case management arrangements, in- 	

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cluding county consortiums, CCS pilot projects, and nonprofit organizations.	
(d) Counties may retain 50 percent of total enrollment and assessment fees that are collected by the counties for the CCS program. Fifty percent of the projected enrollment and assessment fee for each county shall be offset from the state's match for that county.	
(e) Of the funds appropriated in Schedule (g) or made available pursuant to this provision, \$11,500,000 shall be available for expenditure for purposes of the Battered Women's Protection Act of 1994, as enacted by A.B. 167 of the 1993-94 Regular Session or any other legislation in that session.	
5. Of the funds appropriated by this item, \$3,000,000 shall be used to augment HIV/AIDS education and prevention activities, \$1,950,000 shall be used to augment anonymous testing services, and \$50,000 shall be used for startup costs for an AIDS food bank operated by a nonprofit agency in the San Gabriel Valley area.	
4260-111-004—For local assistance, Department of Health Services, for payment to Item 4260-111-001, payable from the Breast Cancer Fund.....	9,043,000
4260-111-080—For local assistance, Department of Health Services, for payment to Item 4260-111-001, payable from the Childhood Lead Poisoning Prevention Fund.....	11,677,000
4260-111-137—For local assistance, Department of Health Services, for payment to Item 4260-111-001, payable from the Vital Records Improvement Project Fund	300,000
4260-111-890—For local assistance, Department of Health Services, for payment to Item 4260-111-001, payable from the Federal Trust Fund	526,988,000
Provisions:	
1. Of the funds appropriated in this item, \$46,410,000 shall be transferred to the Public Health Federal Fund and shall be available for administration, research and training projects as submitted with the Governor's Budget for the 1994-95 fiscal year. The Department of Health Services shall provide notification pursuant to Section 28.00 of this act for any new project or	

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any increase in excess of \$200,000 of an identified project.	
2. Of the funds appropriated in this item, \$50,000 shall be used for a pediatric resident training program in a rural area located in Mendocino County. The medical facility conducting the resident training program shall provide a matching in-kind contribution to the program.	
3. Notwithstanding any other provision of law, local agencies contracting with the state for services provided under the Supplemental Food Program for Women, Infants and Children (WIC) may, and are encouraged to, provide WIC services through arrangements designed to increase the capacity of the program as recommended by the WIC Growth, Capacity and Service Integration Task Force.	
4. From the \$600,000 augmentation provided for violence prevention in the Adolescent Family Life Program, the Department of Health Services shall, in consultation with the Department of Alcohol and Drug Programs, implement Sections 309.220, 309.225, and 309.230 of the Health and Safety Code.	
4260-301-754—For capital outlay, Department of Health Services, payable from the Public Safety Bond (1994)	1,500,000
Schedule:	
(1) 94.60.030—New Richmond Laboratory-Schematics	1,500,000
4270-001-001—For support, California Medical Assistance Commission	1,078,000
Schedule:	
(a) 10-California Medical Assistance Commission	2,156,000
(b) Reimbursements	-1,078,000
4280-001-309—For support of Managed Risk Medical Insurance Board, for payment to Item 4280-001-313, payable from the Perinatal Insurance Fund ..	701,000
Provisions:	
1. Provision 1 of Item 4280-001-313 also is applicable to this item.	
4280-001-313—For support of Managed Risk Medical Insurance Board, payable from the Major Risk Medical Insurance Fund	792,000

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Schedule:	
(a) 10-Major Risk Medical Insurance Program.....	792,000
(b) 20-Access for Infants and Mothers Program.....	701,000
(c) 30-Health Insurance Plan of California	321,000
(d) Amount payable from the Perinatal Insurance Fund, (Item 4280-001-309)	-701,000
(e) Amount payable from the Voluntary Alliance Uniting Employers Fund, (Item 4280-001-957)	-321,000
Provisions:	
1. Notwithstanding any other provision of law, the Director of Finance may authorize expenditures for the Managed Risk Medical Insurance Board in excess of the amount appropriated not sooner than 30 days after notification in writing of the necessity therefor is provided to the chairpersons of the fiscal committees and the Chairperson of the Joint Legislative Budget Committee, or not sooner than whatever lesser time the chairperson of the committee, or his or her designee, may in each instance determine.	
4280-001-957—For support of Managed Risk Medical Insurance Board, for payment to Item 4280-001-313, payable from the Voluntary Alliance Uniting Employers Fund.....	321,000
Provisions:	
1. Provision 1 of Item 4280-001-313 also is applicable to this item.	
4300-001-001—For support of Department of Developmental Services	22,642,000
Schedule:	
(a) 10-Community Services Program.	12,303,000
(b) 20-Developmental Centers Program	13,791,000
(c) 35.01-Administration	15,773,000
(d) 35.02-Distributed Administration ..	-15,773,000
(e) Reimbursements.....	-1,496,000
(f) Amount payable from the Developmental Disabilities Program Development Fund (Item 4300-001-172)	-233,000
(g) Amount payable from the Federal Trust Fund (Item 4300-001-890) ..	-1,723,000

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4300-001-172—For support of Department of Developmental Services, for payment to Item 4300-001-001, payable from the Developmental Disabilities Program Development Fund	233,000
4300-001-890—For support of Department of Developmental Services, for payment to Item 4300-001-001, payable from the Federal Trust Fund	1,723,000
Provisions:	
1. Upon order of the Director of the Department of Finance, the Controller shall transfer such funds as are necessary between this item and Item 4300-101-890 in order to effectively administer the Early Intervention Program (Part H of the Individuals with Disabilities Education Act).	
4300-003-001—For support of Department of Developmental Services, for Developmental Centers.....	17,245,000
Schedule:	
(a) 20-Developmental Centers Program	563,162,000
(b) Reimbursements.....	-544,349,000
(d) Amount payable from the Lottery Education Fund (Item 4300-003-814)	-483,000
(e) Amount payable from the Federal Trust Fund (Item 4300-003-890) ..	-1,085,000
Provisions:	
1. The General Fund shall make a loan available to the Department of Developmental Services not to exceed a cumulative total of \$130,000,000. The loan funds will be transferred to this item as needed to meet cash-flow needs due to delays in collecting reimbursements from the Health Care Deposit Fund, and subject to the repayment provisions of Section 16351 of the Government Code.	
2. Of the amount appropriated in Schedule (a), \$1,193,700 is provided for payment of energy service contracts as required in connection with issuance of Public Works Board Energy Efficiency Revenue Bonds (State Pool Program), Series 1986 A.	
3. To the extent that the Department of Developmental Services is eligible to receive additional Title XIX Medi-Cal reimbursements as a result of population increases in the developmental centers, the department is authorized to expend those reimbursements for the care of the addi-	

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tional clients upon approval of the Director of Finance.	
4. Upon order of the Director of the Department of Finance, the Controller shall transfer such funds as are necessary between this item and Items 4300-101-001 and 4440-011-001.	
5. The Department of Developmental Services shall notify the chairpersons of the fiscal committees and the Special Committee on Developmental Disabilities and Mental Health of specific outcomes resulting from citations and the results of annual surveys conducted by the Department of Health Services as well as findings of any other government agency authorized to conduct investigations or surveys of state developmental centers. The notifications, including a copy of the specific findings, shall be forwarded to the respective committee chairs within 10 working days of receipt of these findings by the department. The department shall also forward a copy of its plan of correction in response to these findings within three working days of submission to the appropriate investigating agency. In addition, the department shall provide notification, within three working days, of receipt of information concerning any investigation initiated by the United States Department of Justice and the private nonprofit corporation designated by the Governor pursuant to Division 4.7 (commencing with Section 4900) of the Welfare and Institutions Code or concerning any findings or recommendations that come forth from any of these investigations.	
4300-003-814—For support of Department of Developmental Services, for payment to Item 4300-003-001, payable from the Lottery Education Fund.....	483,000
Provisions:	
1. All funds received pursuant to Proposition 37 that are allocable to the Department of Developmental Services pursuant to Section 8880.5 of the Government Code, and that are in excess of the amount appropriated in this item, are hereby appropriated in augmentation of this item. These additional funds may be expended only upon written approval of the Director of Finance.	

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4300-003-890—For support of Department of Developmental Services, for payment to Item 4300-003-001, payable from the Federal Trust Fund	1,085,000
4300-004-001—For support of Department of Developmental Services (Proposition 98), for Developmental Centers	17,372,000
Schedule:	
(a) 20-Developmental Centers Program	25,608,000
(1) 20.17-AB 1202 Contracts	10,147,000
(2) 20.66-Medi-Cal Eligible Education Services	15,461,000
(b) Reimbursements.....	-8,236,000
Provisions:	
1. Of the amount appropriated in this item, \$8,236,000 is to be used to provide the General Fund match for Medi-Cal Eligible Education Services.	
4300-101-001—For local assistance, Department of Developmental Services, for Regional Centers.....	543,089,000
Schedule:	
10.10-Regional Centers	
(a) 10.10.010-Operations.....	168,818,000
(b) 10.10.020-Regional Centers-Purchase of Services	631,042,000
(c) 10.10.060-Early Intervention Programs	32,978,000
(d) 10.20.010-Program Development .	2,200,000
(e) Reimbursements.....	-256,830,000
(f) Amount payable from Developmental Disabilities Program Development Fund (Item 4300-101-172)	-2,141,000
(g) Amount payable from Federal Trust Fund (Item 4300-101-890) ..	-32,978,000
Provisions:	
1. Upon order of the Director of the Department of Finance, the Controller shall transfer such funds as are necessary between this item and Item 4300-003-001. Provided further, that the Director of Finance may authorize the transfer of funds between this item and Item 4260-101-001 for the state's share of expenditures for developmental services provided to persons eligi-	

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ble under the California Medical Assistance Program.	
2. Any funds available from cost-of-living adjustments in the Supplemental Security Income/State Supplementary Program (SSI/SSP) shall be used to offset General Fund costs for residential care services.	
3. A loan shall be made available from the General Fund to the Department of Developmental Services (DDS) not to exceed a cumulative total of \$90,000,000. The loan funds shall be transferred to this item as needed to meet cash-flow needs due to delays in collecting reimbursements from the Health Care Deposit Fund, and are subject to the repayment provisions of Section 16351 of the Government Code.	
4. Upon order of the Director of Finance, the Controller shall transfer such funds as are necessary between this item and Item 5160-001-001 to provide for the transportation costs to and from work activity programs of clients who are receiving vocational rehabilitation services through the Vocational Rehabilitation/Work Activity Program (VR/WAP) Transition program.	
5. The Director of the Department of Developmental Services (DDS) shall continue its independent living demonstration project based on the "supported living model." The demonstration project shall provide appropriate residential and support services for persons with developmental disabilities who reside in their own homes. Funds for the project shall be within the available appropriation and shall be allocated in the regional center contracts. No more than two regional centers and a total of 60 regional center clients shall participate in the Supported Life Project in the 1994-95 fiscal year. DDS shall designate the participating regional centers, and evaluate the effectiveness and fiscal impact of the Supported Life Project.	
6. Upon order of the Director of Finance, in order to more effectively meet client service needs, the Controller shall transfer the General Fund share of program costs as necessary between this item and Item 5160-001-001 and Item 5160-101-001 to provide for the net transfer of clients be-	

Item	Amount
<p>tween the Department of Developmental Services and the Department of Rehabilitation for the following:</p> <p>(a) The conversion of regional center day programs to work activity or supported employment programs.</p> <p>(b) The transfer between day programs and VR/WAP or VR/SEP.</p> <p>(c) Clients originating from subdivision (b) of this provision who transfer to a work activity or a supported employment program upon closure from VR.</p> <p>The transfer of funds shall be accomplished through a budget revision, on a quarterly basis, in the fiscal year in which the clients initially transferred from the regional center day programs.</p>	
<p>4300-101-172—For local assistance, Department of Developmental Services, for payment to Item 4300-101-001, payable from the Developmental Disabilities Program Development Fund</p>	2,141,000
<p>Provisions:</p> <p>1. Notwithstanding any other provision of law, the Director of Finance may authorize expenditures for the Department of Developmental Services in excess of the amount appropriated, no sooner than 30 days after notification in writing of the chairperson of the fiscal committees and the Chairperson of the Joint Legislative Budget Committee, or no sooner than such lesser time as the chairperson of the committee, or his or her designee, may in each instance determine.</p>	
<p>4300-101-496—For local assistance, Department of Developmental Services, Developmental Disabilities Service Account.....</p>	26,000
<p>4300-101-890—For local assistance, Department of Developmental Services, for Regional Centers, for payment to Item 4300-101-001, payable from Federal Trust Fund</p>	32,978,000
<p>Provisions:</p> <p>1. Upon order of the Director of the Department of Finance, the Controller shall transfer such funds as are necessary between this item and Item 4300-001-890 in order to effectively administer the Early Intervention Program (Part H of the Individuals with Disabilities Education Act).</p>	

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4300-301-001—For capital outlay, Department of Developmental Services	3,046,000
Schedule:	
(1) 55.20.280-Camarillo: Upgrade Fire Alarm System—Preliminary Plans and Working Drawings.....	246,000
(2) 55.55.230-Sonoma: Water Treatment Facility—Construction.....	2,691,000
(3) 55.55.300-Sonoma: F/LS & EI, Non-24 Hour Client Occupied Building—Preliminary Plans.....	109,000
4300-490—Reappropriation, Department of Developmental Services. Notwithstanding any other provision of law, as of June 30, 1994, the balance of the appropriation provided in the following citation is reappropriated for the purposes specified in Schedule (1), and shall be available for encumbrance and expenditure until June 30, 1995.	
001—General Fund:	
(1) Item 4300-101-001 (a) 10.10.010 and (b) 10.10.020, Budget Act of 1993, for regional centers. One-half of the savings generated by regional centers operating under performance-based contracts shall be reappropriated for one-time expenditures that are approved by the Department of Developmental Services.	
4440-001-001—For support of Department of Mental Health.....	19,320,000
Schedule:	
(a) 10-Community Services	25,390,000
(b) 20-State Hospital Services.....	5,026,000
(c) 35.01-Departmental Administration	7,489,000
(d) 35.02-Distributed Departmental Administration	-7,489,000
(e) Reimbursements.....	-7,732,000
(f) Amount payable from the Federal Trust Fund (Item 4440-001-890) ..	-3,364,000
Provisions:	
1. Upon order of the Director of Finance, and following 30-day notification to the Joint Legislative Budget Committee, the Controller shall transfer between this item and Item 4440-016-001 those funds that are necessary for direct community services, as well as administrative and ancillary services related to the provision of direct services.	

Item	Amount
2. The Department of Mental Health/County Mental Health Directors' Association Task Force on the Future of State Hospitals shall solicit local community input in its discussions on maximizing the use of state mental hospitals.	
4440-001-890—For support of Department of Mental Health, for payment to Item 4440-001-001, payable from the Federal Trust Fund	3,364,000
Provisions:	
1. Upon order of the Department of Finance, the State Controller shall transfer such funds as are necessary between this item and Item 4440-101-890.	
4440-011-001—For support of the State Hospitals, Department of Mental Health.....	154,129,000
Schedule:	
(a) 20.10-Lanterman-Petris-Short Act... 211,901,000	
(b) 20.20-Penal Code and Judicially Committed..... 154,129,000	
(c) 20.30-Other State Hospital Services..... 48,006,000	
(d) Reimbursements.....— 225,907,000	
(dx) Reimbursements-Patient Generated.....— 34,000,000	
Provisions:	
1. The funds appropriated by this item are for support of the hospitals for the mentally ill for judicially committed patients, patients committed pursuant to the Penal Code, or patients committed pursuant to the Lanterman-Petris-Short Act.	
2. Upon order of the Director of Finance, the Controller shall transfer such funds as are necessary between this item and Items 4300-003-001, 4300-004-001, 5240-001-001, and 5460-001-001.	
3. Upon order of the Director of Finance, and following 30-day notification to the Joint Legislative Budget Committee, the Controller shall transfer between this item and Item 4440-016-001 those funds that are necessary for direct community services, as well as administrative and ancillary services related to the provision of direct services.	
4. Of the funds appropriated in Schedules (a) and (b), \$129,000 is provided for payment of energy service contracts as required in connection with issuance of Public Works Board Energy Effi-	

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ciency Revenue Bonds (State Pool Program), Series 1986 A and Series 1991 A.	
5. Of the funds appropriated in Schedule (b), and following approval by the Department of Mental Health, up to \$600,000 is available to reimburse counties for the cost of treatment and legal services to patients in the four Department of Mental Health State Hospitals, pursuant to Section 4117 of the Welfare and Institutions Code, provided that expenditures made under this item shall be charged to either the fiscal year in which the claim is received or the fiscal year in which the Controller issues the warrant. Provided further, that claims filed by local jurisdictions for legal services may be scheduled by the Controller for payment.	
6. Notwithstanding any other provision of law, the Department of Mental Health shall limit the Sex Offender Research Program to a maximum of 35 beds.	
7. The reimbursements identified in Schedule (d) of this item shall include amounts received by the Department of Mental Health as a result of billing for LPS state hospital bed day expenditures attributable to conservatees who are gravely disabled as defined in subparagraph (B) of paragraph (1) of subdivision (h) of Section 5008 of the Welfare and Institutions Code (Murphy Conservatee).	
8. Of the total amount attributable in the 1993-94 fiscal year to patient-generated collections for Lanterman-Petris-Short (LPS) patients, a total of \$8,000,000 shall be transferred as revenue to the General Fund, and the remainder shall be used to offset county costs for LPS state hospital beds.	
4440-012-001—For support of the State Hospitals (Proposition 98), Department of Mental Health, Program 20.10, Long Term Care Services—Lanterman-Petris-Short	3,400,000
Provisions:	
1. Of the amount appropriated in this item, a total of \$1,400,000 is available to contract for the provision of education services for mental health patients on state hospital grounds.	
4440-016-001—For support, Department of Mental Health, for Conditional Release Services	14,481,000

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Schedule:	
(a) 20-Long Term Care Services	14,481,000
Provisions:	
1. The funds in this item shall be used to provide community services as provided in Section 4360 of the Welfare and Institutions Code. These funds shall support direct community services, as well as administrative and ancillary services related to the provision of direct services.	
2. Upon order of the Director of Finance, and following 30-day notification to the Joint Legislative Budget Committee, the Controller shall transfer between this item and Items 4440-001-001 and 4440-011-001 those funds that are necessary for direct community services, as well as administrative and ancillary services related to the provision of direct services.	
3. The Department of Mental Health shall provide outpatient services mandated in Title 15 (commencing with Section 1600) of Part 2 of the Penal Code, through contracts with the county mental health program. If the county mental health program is unwilling to provide services, the Department of Mental Health shall seek to contract with a private provider. In the event no county mental health program or private provider is willing to provide forensic outpatient services through contract to a county or region, the Department of Mental Health shall itself provide such services.	
4. Of the amount appropriated in this item, it is intended that no funds shall be available for the payment of treatment services to persons on court visit from state hospitals to the community as designated in subdivision (a) of Section 4117 of the Welfare and Institutions Code.	
4440-101-001—For local assistance, Department of Mental Health	16,599,000
Schedule:	
(a) 10.25-Community Services—	
Other Treatment	214,535,000
(b) 10.40-Adult System of Care Pilots	7,772,000
(c) 10.47-Children’s mental health services	5,297,000
(d) 10.85-AIDS.....	1,500,000
(e) Reimbursements.....	-212,505,000

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Provisions:	
1. Augmentations to reimbursements in this item from the Office of Emergency Services for Disaster Relief are exempt from the provisions of Section 28.00. The Department of Mental Health will provide written notification to the Joint Legislative Budget Committee describing the nature and planned expenditure of such funds when the amount received exceeds \$100,000.	
2. It is intended that local expenditures for mental health services for Medi-Cal eligible individuals serve as the match to draw down maximum federal financial participation to continue the Short-Doyle/Medi-Cal program.	
3. Upon order of the Director of Finance and agreement between the Department of Mental Health and the Department of Health Services, the State Controller shall transfer between this item and Item 4260-101-001 the General Fund share of Medi-Cal costs associated with fee-for-service psychiatric inpatient services in general acute care and acute psychiatric facilities.	
4440-101-311—For local assistance, Department of Mental Health, Program 10—Community Services, for Traumatic Brain Injury Demonstration Projects, all funds which are transferred into the Traumatic Brain Injury Fund pursuant to subdivision (g) of Section 1464 of the Penal Code.....	500,000
4440-101-890—For local assistance, Department of Mental Health, payable from the Federal Trust Fund.....	41,049,000
Schedule:	
(a) 10.25-Community Services— other treatment	27,537,000
(b) 10.40-Adult System of Care Pilots	215,000
(c) 10.47-Children’s Mental Health Services.....	9,612,000
(d) 10.75-Homeless Mentally Dis- abled.....	3,685,000
Provisions:	
1. The amounts appropriated in this item are for assistance to local agencies in the establishment and operation of mental health services, in accordance with the provisions of Division 5 (commencing with Section 5000) of the Welfare and Institutions Code.	

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2. Notwithstanding any other provision of law, funds appropriated in Item 4440-101-890 of the Budget Act of 1993 for rollover by the counties in fiscal year 1994-95 shall be used only for the specified purposes for which they were allocated, subject to review and approval of the Department of Mental Health.	
3. The Department of Mental Health may authorize advance payments of federal grant funds on a monthly basis to the counties for grantees. Such advance payments may not exceed one-twelfth of the individual grant award for 1994-95.	
4. The Department of Mental Health shall, to the extent possible, ensure that funds received pursuant to the Projects for Assistance in Transition from Homelessness program under the Stewart B. McKinney Assistance Amendments Act of 1990 are expended in coordination with other funds available, both federal and state, for homeless chronically mentally disabled persons. Funds may be allocated by the department for the following purposes: outreach, screening and diagnostic treatment services, habilitation/rehabilitation services, community mental health services, alcohol or drug treatment services, staff training, case management, supportive and supervisory services in residential settings, referrals and allowable housing costs.	
5. Upon order of the Department of Finance, the State Controller shall transfer such funds as are necessary between this item and Item 4440-001-890.	
6. Upon order of the Department of Finance, the State Controller shall transfer such funds as are necessary between Schedule (a) and Schedule (c) to meet federal requirements.	
4440-102-001—For local assistance, Department of Mental Health (Proposition 98) for early mental health services	11,500,000
4440-111-001—For local assistance, Department of Mental Health, for caregiver resource centers serving families of brain-damaged adults	5,047,000
4440-131-001—For local assistance, Department of Mental Health, for services to special education pupils	12,334,000

Item

Amount

Provisions:

1. In allocating to the counties funds for mental health services to pupils who are specified in accordance with Section 7570, et seq. of the Government Code and the Individuals with Disabilities Education Act Section 602(a) Amendments of 1990, as defined in Section 300.5 of Title 34 of the Code of Federal Regulations and who meet the requirements of Section 56026 of the Education Code and Sections 3030 and 3031 of Title 5 of the California Code of Regulations, the Department of Mental Health may allocate the funds based on the individual county's needs, in lieu of Section 5701 of the Welfare and Institutions Code.
2. Notwithstanding Section 7587 of the Government Code, the emergency regulations developed to implement Chapter 26.5 (commencing with Section 7570) of Division 7 of Title 1 of the Government Code shall not be subject to automatic repeal until the final regulations take effect on or before June 30, 1995.

4440-490—Reappropriation, Department of Mental Health. Notwithstanding any other provision of law, as of June 30, 1994, the balance of the appropriation provided in the following citation is reappropriated on the effective date of this act for the purpose (and subject to the limitation, unless otherwise specified) provided for in this appropriation and shall be available for expenditure until June 30, 1995.

001-General Fund

- (1) Item 4440-011-001, Budget Act of 1993, up to \$300,000 for the support of the state hospitals to reimburse counties for costs associated with services provided to mental health patients pursuant to Section 4117 of the Welfare and Institutions Code. Use of these reappropriated funds is limited to claims submitted for Fiscal Year 1993-94 that could not be paid because of limitation on total expenditures provided for in language of the Budget Act of 1993.

4700-001-890—For support of Department of Economic Opportunity, payable from the Federal Trust Fund. Schedule:

9,715,000

- | | |
|---------------------------------|-----------|
| (a) 20—Energy Programs | 8,965,000 |
| (b) 40—Community Services | 1,819,000 |

Item	Amount
(c) 50.01—Administration	2,891,000
(d) 50.02—Distributed Administration	-2,891,000
(e) Reimbursements.....	-1,069,000

Provisions:

1. On a federal fiscal year basis, the Department of Economic Opportunity shall make the following program allocation for the community services block grant, as a percentage of the total block grant:

(a) Administration..... 5 percent
 The department shall provide the Controller with the dollar value of this allocation limit, as it relates to the appropriation in this item, at the beginning of the state fiscal year, and shall update this information whenever necessary to reflect federal revisions to the grant.

2. Notwithstanding subdivision (b) of Section 16367.5 of the Government Code, the office may expend up to 7.5 percent of the LIHEAP block grant for state administrative costs, adjusted for any allocations made by the Department of Finance for employee compensation and price increases. Any other proposed increase to LIHEAP state administrative costs for the 1994-95 state fiscal year, even if based on a higher, revised grant level and within the 5 percent allowed by subdivision (b) of Section 16367.5 of the Government Code, shall be approved pursuant to Section 28.00 of this act and in no event shall result in the office's state administrative costs for LIHEAP exceeding 7.5 percent of the total LIHEAP grant, PVEA funding inclusive.

4700-101-890—For local assistance, Department of Economic Opportunity, for assistance to individuals and payments to service providers, payable from the Federal Trust Fund..... 96,185,000

Schedule:

(a) 20-Energy Programs

(b) 40-Community Services

Provisions:

1. On a federal fiscal year basis, the department shall make the following program allocations for the community services block grant as a percentage of the total block grant:

Item	Amount
(a) Discretionary.....	5 percent
(b) Migrant and seasonal farm workers.....	10 percent
(c) Native American Indian programs	3.9 percent
(d) Community action agencies and rural community services.....	76.1 percent
All grantees under the community services block grant program shall be subject to standard state contracting procedures required under the program.	
2. The department shall provide the State Controller with the dollar value of these allocation limits, as they relate to the appropriation in this item, at the beginning of the state fiscal year, and shall update this information whenever necessary to reflect federal revisions to the grant.	
3. Funds collected by the department from energy contractors as a result of overpayments shall be used for local assistance for energy programs, and funds collected from community service block grant (CSBG) contractors as a result of overpayments shall be used for local assistance for CSBG programs in fiscal year 1994-95.	
4. Funds scheduled in Item 4700-101-890 may be transferred to Item 4700-001-890 for the administration of the Low Income Home Energy Assistance Programs, subject to approval of the Department of Finance.	
4700-490—Reappropriation, Department of Economic Opportunity. Notwithstanding any other provision of law, the balance remaining of the appropriation provided in the following citation is hereby reappropriated for the purposes provided for in that appropriation, and shall be available for encumbrance and expenditure until June 30, 1995, as follows:	
890-Federal Trust Fund	
(a) Item 8915-101-890, Budget Act of 1993	
5100-001-001—For support of Employment Development Department, for payment to Item 5100-001-870	23,865,000
5100-001-184—For support of Employment Development Department, for payment to Item 5100-001-870, payable from the Employment Development Department Benefit Audit Fund	12,213,000

Item	Amount
5100-001-185—For support of Employment Development Department, for payment to Item 5100-001-870, payable from the Employment Development Contingent Fund.....	30,085,000
Provisions:	
1. Funds appropriated in this item are in lieu of the amounts that otherwise would have been appropriated for administration pursuant to Section 1586 of the Unemployment Insurance Code.	
2. Notwithstanding the provisions of Item 9840-001-494, the Director of Finance may authorize the creation of deficiencies pursuant to Section 11006 of the Government Code for the purposes of this item.	
5100-001-514—For support of Employment Development Department, for payment to Item 5100-001-870, payable from the Employment Training Fund.....	47,524,000
Provisions:	
1. All activities to market, negotiate, or otherwise locate employers or other agencies interested in providing training with funds supplied by the Employment Training Panel shall be supported with funds allocated for the administration of the Employment Training Panel. Expenditures for marketing and research provided under contract to the panel shall not be included in the 15 percent administrative cost limitation set forth in paragraph (2) of subdivision (a) of Section 10206 of the Unemployment Insurance Code.	
2. Notwithstanding subdivision (a) of Section 2.00 of this act, funds disencumbered from Employment Training Fund job training contracts during the 1994–95 fiscal year are hereby appropriated for transfer to, and in augmentation of, this item for allocation by the Employment Training Panel for job training contracts. The Employment Development Department shall notify the Legislature by September 1, 1995, of the actual amount of funds appropriated pursuant to this provision.	
3. The funds appropriated for administrative costs of the Service Center (Intensive Services) program for the 1994–95 fiscal year shall not be deemed an administrative cost for purposes of	

Item	Amount
paragraph (2) of subdivision (a) of Section 10206 of the Unemployment Insurance Code.	
6. Any funds appropriated for the Employment Development Department Service Center (Intensive Services) and State-Local Cooperative Labor Market Information Programs, if not expended by June 30, 1995, shall be made available to the Employment Training Panel for purposes of funding job training contracts.	
7. Notwithstanding any other provision of law, the Employment Training Panel may execute training contracts in an aggregate amount of not more than \$20,000,000 in excess of the funds appropriated by this item.	
5100-001-588—For support of Employment Development Department, for payment to Item 5100-001-870, payable from the Unemployment Compensation Disability Fund.....	132,936,000
Provisions:	
1. The Employment Development Department shall submit on October 1, 1994, and April 20, 1995, to the Department of Finance for its review and approval, an estimate of expenditures for both the current and budget years, including the assumptions and calculations underlying Employment Development Department projections for support expenditures from this item. The Department of Finance shall approve, or modify, the assumptions underlying all estimates within 15 working days of their receipt. If the Department of Finance does not approve or modify in writing, the assumptions underlying all estimates within 15 working days of receipt, the Employment Development Department shall consider the assumptions and calculations approved as submitted. If the Department of Finance determines that the estimate of support expenditures differs from the amount appropriated by this item, the Director of Finance shall so report to the Legislature. At the time the report is made, the amount of this appropriation shall be adjusted by the difference between this Budget Act appropriation and the approved estimate of the Department of Finance. Revisions for the support of the Disability Insurance program reported pursuant to this provision are not	

Item	Amount
subject to the provisions of Section 28.00 of this act.	
2. Notwithstanding the provisions of Item 9840-001-988, the Director of Finance may authorize the creation of deficiencies pursuant to Section 11006 of the Government Code, for the purposes of this item.	
3. Notwithstanding any other provision of law, the Director of the Employment Development Department, subject to the approval of the Department of Finance, shall reduce the worker contribution rate to the Unemployment Compensation Disability Fund for the 1995 calendar year to 1 percent, or to the lowest percentage level that permits the retention of a balance in that fund for the 1995 calendar year that is not less than 25 percent of the amount of total disbursements from that fund for the four-quarter period ending in December 1994, whichever is greater.	
5100-001-869—For support of state programs under the Job Training Partnership Act, Employment Development Department, payable from the Consolidated Work Program Fund	142,312,000
Schedule:	
(a) 60.11-Administrative Cost Pool.....	12,424,000
(b) 60.20-Incentive and Technical Assistance	12,590,000
(c) 60.30-Older Workers	7,576,000
(d) 60.40-Educational Linkages.....	20,461,000
(e) 60.51-Special Local Projects	3,360,000
(f) 60.60-Displaced Workers.....	85,168,000
(g) 60.65-Veterans.....	733,000
Provisions:	
1. The funds appropriated in Schedule (b) may be transferred to Item 5100-101-869, upon the approval of the Department of Finance, when service delivery areas decide to operate projects under the federal guidelines applicable to Program 60.70, Adult and Youth Training Programs.	
2. Notwithstanding subdivision (a) of Section 2.00 of this act, funds disencumbered from Job Training Partnership Act subgrants during the 1994–95 state fiscal year are hereby appropriated for transfer to, and in augmentation of, this item for allocation by the Employment Development Department.	

Item	Amount
Development Department for Job Training Partnership Act subgrants.	
5100-001-870—For support of Employment Development Department, payable from the Unemployment Administration Fund—Federal.....	519,725,000
Schedule:	
(a) 10-Employment and Employment Related Services.....	183,578,000
(b) 20-Tax Collection and Benefit Payments	554,291,000
(c) 30.01-General Administration.....	45,893,000
(d) 30.02-Distributed General Administration.....	-42,239,000
(e) 50-Employment Training Panel...	44,266,000
(f) Reimbursements.....	-18,706,000
(g) Amount payable from the General Fund (Item 5100-001-001) ...	-23,865,000
(h) Amount payable from the Employment Development Department Benefit Audit Fund (Item 5100-001-184)	-12,213,000
(i) Amount payable from the Employment Development Contingent Fund (Item 5100-001-185) ...	-30,085,000
(j) Amount payable from the Employment Training Fund (Item 5100-001-514)	-47,524,000
(k) Amount payable from the Unemployment Compensation Disability Fund (Item 5100-001-588) ...	-132,936,000
(l) Amount payable from the School Employees Fund (Item 5100-001-908)	-735,000
Provisions:	
1. Funds appropriated in this item are in lieu of the amounts that otherwise would have been appropriated pursuant to Section 1555 of the Unemployment Insurance Code.	
2. The Employment Development Department (EDD) shall submit on October 1, 1994, and April 20, 1995, to the Department of Finance for its review and approval an estimate of expenditures for both current and budget years, including the assumptions and calculations underlying EDD projections for support expenditures for the Unemployment Insurance program from this item. The Department of Finance shall ap-	

Item	Amount
<p>prove, or modify, the assumptions underlying all estimates within 15 working days of their receipt. If the Department of Finance does not approve or modify in writing the assumptions underlying all estimates within 15 working days of receipt, the EDD shall consider the assumptions and calculations approved as submitted. If the Department of Finance determines that the estimate of support expenditures differs from the amount appropriated by this item, the Director of Finance shall so report to the Legislature. At the time the report is made, the amount of this appropriation shall be adjusted by the difference between this appropriation and the Department of Finance approved estimate for the Unemployment Insurance program. Revisions for the support of the Unemployment Insurance program reported pursuant to this provision are not subject to the provisions of Section 28.00 of this act.</p>	
3. To the extent that available federal funding is insufficient to support employment data and research positions at the budgeted level, funds shall be appropriated from the Employment Development Contingent Fund, up to a total of \$263,000, to substitute for these federal funds.	
4. The Health Career Opportunities Program training shall be limited to (a) preparation for existing health care occupations including occupations that provide health care access to minorities (such as, community outreach workers, interpretative services, and community health care workers), and (b) upgrade training of minority health care workers. All Health Career Opportunities Program training is limited to participants who are eligible for services under the Job Training Partnership Act of 1982 or the Greater Avenues for Independence (GAIN) Act of 1985 or both.	
5. Services Delivery Areas that bid on the Health Career Opportunities Program must show coordination with local county public health departments, local hospitals and health care facilities, the local EDD offices and EDD's Labor Market Information Division, the Office of Statewide Health Planning and Development, local educa-	

Item	Amount
<p>tion agencies, primary care clinics, and other appropriate entities.</p> <p>6. It is the intent of the Legislature that the State Board of Equalization, the Franchise Tax Board, and the Employment Development Department develop an Integration Master Plan for integrating tax information systems. This master plan shall include, at a minimum, all of the following:</p> <ul style="list-style-type: none"> (a) An identification of common functions, operations, or processes, and a vision of what integrated revenue operations should do for the state and for taxpayers. (b) A description of how the three revenue agencies can work cooperatively together to create an overall revenue system that would increase tax compliance, reduce the reporting burden on taxpayers, and provide greater taxpayer convenience. (c) A strategic plan that addresses how and when current proposed systems should be integrated. (d) Protocols to ensure that telecommunications and data processing systems developed after the plan is adopted contribute to the achievement of the joint vision. (e) Standards, structures, and processes to ensure that the ability to exchange information between systems is a feature of any automated systems developed after the plan is adopted and that data can be shared in a way that helps to implement the plan. (f) Certification by each department, upon preparing feasibility study reports, that the proposed project is consistent with the master plan. (g) Assurances by the Department of Finance that each proposal by a tax agency to modify an existing information system or develop a new system is consistent with the strategic plan prior to approval of the feasibility study report for each project. <p>The master plan shall be submitted to the Department of Finance for review and approval. The Department of Finance shall transmit the approved master plan to the Joint Legislative Budget Committee, the</p>	

Item	Amount
fiscal committees, and the revenue committees of the Legislature for review and comment at least 30 days prior to approval.	
5100-001-908—For support of Employment Development Department, for payment to Item 5100-001-870, payable from the School Employees Fund	735,000
Provisions:	
1. Notwithstanding the provisions of Item 9840-001-988, the Director of Finance may authorize the creation of deficiencies pursuant to Section 11006 of the Government Code, for the purposes of this item.	
2. Funds appropriated in this item are in lieu of the amounts which would have otherwise been appropriated for administration pursuant to Section 822 of the Unemployment Insurance Code.	
3. Provision 2 of Item 5100-001-870 is also applicable to this item.	
5100-011-185—For support of Employment Development Department payable from Employment Development Contingent Fund. Notwithstanding any other provision of law, the State Controller shall transfer to the General Fund the amount, as determined by the Director of Finance, in the Employment Development Contingent Fund as of June 30, 1995, which is in excess of the \$1,000,000 reserve required by Section 1590 of the Unemployment Insurance Code.	
5100-011-890—For support of Employment Development Department, payable from the Federal Trust Fund, for transfer to the Unemployment Administration Fund.....	(519,725,000)
5100-021-890—For support of Employment Development Department, payable from the Federal Trust Fund, for transfer to the Consolidated Work Program Fund.....	(142,312,000)
5100-101-588—For local assistance, Employment Development Department, for Program 20—Tax Collections and Benefit Payments, payable from the Unemployment Compensation Disability Fund.....	1,786,353,000
Provisions:	
1. Notwithstanding the provisions of Item 9840-001-988, the Director of Finance may authorize the creation of deficiencies pursuant to Section 11006 of the Government Code, for the purposes of this item.	

Item	Amount
2. Funds appropriated in this item are in lieu of the amounts which would have otherwise been appropriated pursuant to Section 3012 of the Unemployment Insurance Code.	
3. The Employment Development Department shall submit on October 1 and April 20, to the Department of Finance for its review and approval, an estimate of expenditures for both current and budget years, including the assumptions and calculations underlying Employment Development Department projections for benefits payable from this item. The Department of Finance shall approve or modify the assumptions underlying all estimates within 15 working days of their receipt. If the Department of Finance does not approve or modify in writing the assumptions underlying all estimates within 15 working days of receipt, the Employment Development Department shall consider the assumptions and calculations approved as submitted. If the Department of Finance determines that the estimate of benefit expenditures differs from the amount appropriated by this item, the Director of Finance shall so report to the Legislature. At the time the report is made, the amount of this appropriation shall be adjusted by the difference between this Budget Act appropriation and the approved estimate of the Department of Finance. Revisions reported pursuant to this provision are not subject to the provisions of Section 28.00 of this act.	
5100-101-869—For local assistance under the Job Training Partnership Act, Employment Development Department, payable from the Consolidated Work Program Fund	432,894,000
Schedule:	
(a) 60.60-Displaced Workers Program.	94,569,000
(b) 60.70-Adult and Youth Training Programs.....	202,508,000
(c) 60.80-Summer Youth Programs....	135,817,000
Provisions:	
1. Notwithstanding subdivision (a) of Section 2.00 of this act, funds disencumbered from Job Training Partnership Act subgrants during the 1994-95 state fiscal year 1994-95 are hereby appropriated for transfer to and in augmentation	

Item	Amount
of this item for allocation of this item for allocation by the Employment Development Department for Job Training Partnership Act subgrants.	
5100-101-871—For local assistance, Employment Development Department, for Program 20—Tax Collections and Benefit Payments, payable from the Federal Unemployment Fund	3,390,950,000
Provisions:	
1. Funds appropriated in this item are in lieu of the amounts which would have otherwise been appropriated pursuant to Section 1521 of the Unemployment Insurance Code.	
2. Provision 3 of Item 5100-101-588 is also applicable to this item.	
5100-101-890—For local assistance, Employment Development Department, payable from the Federal Trust Fund, for transfer to the Consolidated Work Program Fund.....	(432,894,000)
5100-101-908—For local assistance, Employment Development Department, for Program 20—Tax Collections and Benefit Payments, payable from the School Employees Fund	35,185,000
Provisions:	
1. Notwithstanding the provisions of Item 9840-001-988, the Director of Finance may authorize the creation of deficiencies pursuant to Section 11006 of the Government Code for the purposes of this item.	
2. Funds appropriated in this item are in lieu of the amounts which would have otherwise been appropriated for benefits pursuant to Section 822 of the Unemployment Insurance Code.	
3. Provision 3 of Item 5100-101-588 is also applicable to this item.	
5100-111-890—For local assistance, Employment Development Department, payable from the Federal Trust Fund, for transfer to the Federal Unemployment Fund (871).....	(3,390,950,000)
5100-301-588—For capital outlay, Employment Development Department, payable from the Unemployment Compensation Disability Fund	2,644,000
Schedule:	
(1) 80.03.001-Eureka JS/UI/DI Office: Renovation and Asbestos Abatement—Construction.....	216,000

Item	Amount
(3) 80.37.020-Minor Project—Santa Rosa Appeals.....	1,000
(4) 80.91.001-San Bernardino DI Office: Renovation and Asbestos Abatement—Preliminary plans and working drawings.....	174,000
(5) 80.98.001-Riverside new Disability Insurance Office—Construction ..	2,253,000
5100-301-690—For capital outlay, Employment Development Department, payable from the Employment Development Department Building Fund ..	45,000
Schedule:	
(2) 80.31.001-Oakland JS/UI Office: Renovation and Asbestos Abatement—Preliminary plans and working drawings.....	9,000
(3) 80.37.020-Minor Project—Santa Rosa Appeals.....	1,000
(4) 80.98.001-Riverside new Disability Insurance Office—Construction ..	35,000
5100-301-870—For capital outlay, Employment Development Department, payable from the Unemployment Administration Fund—Federal.....	1,786,000
Schedule:	
(1) 80.03.001-Eureka JS/UI/DI Office: Renovation and Asbestos Abatement—Construction.....	1,263,000
(3) 80.31.001-Oakland JS/UI Office Renovation and Asbestos Abatement—Preliminary Plans and Working Drawings.....	286,000
(4) 80.37.020-Minor Project—Santa Rosa Appeals.....	29,000
(5) 80.98.001-Riverside new Disability Insurance Office—Construction ..	208,000
5100-301-890—For capital outlay, Employment Development Department, payable from the Federal Trust Fund, for transfer to the Unemployment Administration Fund—Federal.....	(1,786,000)
Schedule:	
(1) 80.03.001-Eureka JS/UI/DI Office: Renovation and Asbestos Abatement—Construction.....	(1,263,000)
(3) 80.31.001-Oakland JS/UI Office: Renovation and Asbestos Abatement—Preliminary plans and working drawings.....	(286,000)

Item	Amount
(4) 80.37.020-Minor Projects—Santa Rosa Appeals.....	(29,000)
(5) 80.98.001-Riverside new Disability Insurance Office—Construction ..	(208,000)
5100-490—Reappropriation, Employment Development Department. As of June 30, 1994, the balance of the appropriation provided in Item 5100-101-869, Budget Act of 1993, is reappropriated for transfer to and in augmentation of Item 5100-101-869, Budget Act of 1994, and shall be available for encumbrance and expenditure through June 30, 1995.	
Provisions:	
1. The Employment Development Department shall notify the Legislature by December 1, 1994, of the actual amount of 1993-94 Federal Job Training Partnership Act local assistance funds carried forward into 1994-95 for expenditure.	
5160-001-001—For support of Department of Rehabilitation	36,686,000
Schedule:	
(a) 10-Vocational Rehabilitation Services.....	255,398,000
(b) 20-Habilitation Services	2,179,000
(c) 30-Support of Community Facilities	5,337,000
(d) 40.01-Administration	17,394,000
(e) 40.02-Distributed Administration ..	-17,394,000
(f) Reimbursements.....	-5,477,000
(g) Amount payable from the Federal Trust Fund (Item 5160-001-890).....	-217,391,000
(h) Amount payable from the Special Deposit Fund—Vending Stands Account, per Government Code Section 16370.....	-3,360,000
Provisions:	
1. In order to participate in the County Mental Health Cooperative Programs, a county shall identify, in its joint proposal with a local office of the Department of Rehabilitation, cash and in-kind resources it shall make available for pre-vocational and other services to supplement vocational rehabilitation resources.	
2. Upon order of the Director of Finance, the Controller shall transfer such funds as are necessary	

Item	Amount
<p>between this item and Item 4300-101-001 to provide for the transportation costs to and from work activity programs of clients who are receiving vocational rehabilitation services through the Vocational Rehabilitation/Work Activity Program (VR/WAP) Transition program.</p>	
<p>3. Upon order of the Director of Finance, in order to more effectively meet client service needs, the Controller shall transfer the General Fund share of program costs as necessary between this item and Item 4300-101-001 to provide for the net transfer of clients between the Department of Developmental Services and the Department of Rehabilitation for the following:</p> <ul style="list-style-type: none"> (a) The conversion of regional center day programs to a work activity or supported employment programs. (b) The transfer between day program and VR/WAP or VR/SEP. (c) Clients originating from (b) above who transfer to a work activity or supported employment program upon closure from VR. <p>The transfer of funds shall be accomplished through a budget revision, on a quarterly basis, in the fiscal year in which the clients initially transferred from the regional center day programs.</p> <p>4. The two positions authorized for development of federal grant applications shall terminate on September 30, 1995, unless new or expanded federal grants have been awarded to the state providing administrative funding that will offset the costs of these positions.</p>	
<p>5160-001-890—For support of Department of Rehabilitation, for payment to Item 5160-001-001, payable from the Federal Trust Fund</p> <p>Provisions:</p>	217,391,000
<p>1. The amount appropriated by this item, that is payable from federal Social Security Act funds for vocational rehabilitation services for SSI/SSDI recipients, shall be expended only to the extent that funds received exceed the amount appropriated by Item 5160-101-890 that is payable from the federal Social Security Act funds. It is the intent of the Legislature that first priority of federal Social Security Act funding be</p>	

Item	Amount
given to Independent Living Centers in the amount of federal Social Security Act funding appropriated by Item 5160-101-890.	
5160-101-001—For local assistance, Department of Rehabilitation.....	71,502,000
Schedule:	
(a) 10-Vocational Rehabilitation Services.....	487,000
(b) 20-Habilitation Services	68,187,000
(1) 20.10 Work Activity Program	45,368,000
(2) 20.30 Counselor-Teacher and Reader Services ...	98,000
(3) 20.40 Supported Employment Services	22,721,000
(c) 30-Support of Community Facilities.....	6,837,000
(d) Amount payable from Federal Trust Fund (Item 5160-101-890) ..	-4,009,000
Provisions:	
1. Upon order of the Director of Finance, the Controller shall transfer such funds as are necessary between this item and Item 5160-001-001 to provide the state's share of client service expenditures for habilitation clients who are eligible to become vocational rehabilitation clients.	
2. For the purposes of determining eligibility for state incentive funds provided pursuant to Section 19806 of the Welfare and Institutions Code, the department shall establish the "base year" for the three independent living centers designated in Contra Costa, Nevada, and Santa Cruz Counties by determining the actual amount raised from private resources during the fiscal year for the first, state-funded grant given by the department to these independent living centers.	
3. Upon order of the Director of Finance, in order to more effectively meet client service needs, the Controller shall transfer the General Fund share of program costs as necessary between this item and Item 4300-101-001 to provide for the net transfer of clients between the Department of Developmental Services and the Department of Rehabilitation for the following:	

Item	Amount
(a) The conversion of regional center day programs to work activity or supported employment programs.	
(b) The transfer between day programs and VR/WAP or VR/SEP.	
(c) Clients originating from (b) above who transfer to a work activity or supported employment program upon closure from VR.	
The transfer of funds shall be accomplished through a budget revision, on a quarterly basis, in the fiscal year in which the clients initially transferred from the regional center day programs.	
4. The Department of Rehabilitation shall use funds appropriated by this act to explore options to provide relief to the work activity program providers from the rate reduction imposed by the Budget Act of 1992.	
5160-101-890—For local assistance, Department of Rehabilitation, for payment to Item 5160-101-001, payable from the Federal Trust Fund	4,009,000
5160-301-001—For capital outlay, Department of Rehabilitation, payable from the General Fund	209,000
Schedule:	
(1) 50.10.010—Orientation Center for the Blind: HVAC Repair and Asbestos Abatement—Preliminary Plans, Working Drawings and Construction	613,000
(2) Amount payable from the Federal Trust Fund (Item 5160-301-890) ..	-404,000
5160-301-890—For capital outlay, Department of Rehabilitation, for payment to Item 5160-301-001, payable from the Federal Trust Fund.....	404,000
5180-001-001—For support of Department of Social Services	85,302,000
Schedule:	
(a) 10-Welfare Program Operations...	77,496,000
(b) 20-Social Services Programs.....	32,737,000
(d) 40-Disability Evaluation Program...	161,955,000
(f) 60.01-Administration	43,289,000
(g) 60.02-Distributed Administration ..	-27,956,000
(gx) 65-Disaster relief	37,845,000
(h) Reimbursements.....	-17,575,000

Item	Amount
(i) Amount payable from Foster Family Home and Small Family Home Insurance Fund (Item 5180-001-131)	-1,503,000
(j) Amount payable from the Federal Trust Fund (Item 5180-001-890)	-220,986,000
Provisions:	
3. Notwithstanding any other provisions of law, of the funds appropriated in this item, an amount not to exceed \$1,836,028 is available to the counties as a loan in the 1994-95 fiscal year for the nonfederal share of the operations and maintenance costs of the Statewide Automated Child Support System not eligible for enhanced federal funding. This loan does not constitute a shift in financial responsibility for any portion of the Child Support Enforcement program as defined by Chapter 4.1 (commencing with Section 10815) of Part 2, and Chapter 9 (commencing with Section 15200) of Part 3, of Division 9 of the Welfare and Institutions Code. Loan repayment may begin at such time as agreed upon between the state and each individual county, but in any case no later than October 1, 1995, and shall be repaid as a deduction from respective counties' incentive payments for a period not to exceed 24 months. If the loan is repaid within the 24 months, the state shall forgive 29.4 percent of the funds loaned.	
5. The Department of Finance may authorize the transfer of General Fund moneys between this item and Item 5180-002-001. Any transfer may not occur sooner than 30 days after notification in writing of the necessity therefor to the chairperson of the committee in each house that considers appropriations and the chairperson of the Joint Legislative Budget Committee, or sooner than whatever lesser time the chairperson of the joint committee, or his or her designee, may in each instance determine.	
6. The Department of Social Services shall not use either staff or funds to implement the Performance Demonstration Project in the GAIN program until that project is expressly authorized by statute.	

Item	Amount
7. The 1995–96 Governor’s Budget shall identify 19 positions to be deleted by a specified date due to implementation of the State Branch Automation Project of the Disability Evaluation Division.	
10. Provisions 2, 4, 5, 6, and 7 of Item 5180-005-001 of this act are also applicable to this item.	
5180-001-131—For support of Department of Social Services, for payment to Item 5180-001-001, for claims payments and the operation and maintenance of the Foster Family Home and Small Family Home Insurance Fund	1,503,000
Provisions:	
1. The Department of Finance is authorized to approve expenditures from the unexpended balance available from prior years’ appropriations in the Foster Family Home and Small Family Home Insurance Fund during the 1994–95 fiscal year, in those amounts made necessary by increases in either the payment of claims or the costs of operating and maintaining the Foster Family Home and Small Family Home Insurance Fund, which are within or in excess of amounts appropriated in this act for that year.	
If the Department of Finance determines that the estimate of expenditures will exceed the expenditures authorized for the 1994–95 fiscal year, the department shall so report to the Legislature. At such time as the report is made, the amount of the limitation for the 1994–95 fiscal year shall be increased by the amount of such excess from the unexpended balance available from prior years’ appropriations in the Foster Family Home and Small Family Home Insurance Fund.	
5180-001-271—For support of Department of Social Services, payable from the Residential Care Facility for the Elderly Fund	209,246
5180-001-890—For support of Department of Social Services, for payment to Item 5180-001-001, payable from the Federal Trust Fund	220,986,000
Provisions:	
1. The Department of Finance may authorize the transfer of moneys between this item and Item 5180-002-890. Any transfer may not be authorized sooner than 30 days after notification in writing of the necessity therefor to the chairper-	

Item	Amount
son of the committee in each house which considers appropriations and the chairperson of the Joint Legislative Budget Committee, or not sooner than whatever lesser time the chairperson of the joint committee, or his or her designee, may in each instance determine.	
5180-002-001—For support of Department of Social Services, Community Care Licensing	25,020,000
Schedule:	
(a) 15-Administrative Hearings.....	12,867,000
(b) 20-Adoptions.....	10,201,000
(c) 30-Community Care Licensing	60,778,000
(d) 60-Administration	7,679,000
(e) 60-Distributed Administration.....	-7,679,000
(f) Reimbursements.....	-1,905,000
(g) Amount payable from Federal Trust Fund (Item 5180-002-001) ..	-56,921,000
Provisions:	
1. The Department of Finance may authorized the transfer of funds from Schedule (c) of this item to Item 5180-161-001, Program 30, Community Care Licensing, in order to allow counties to perform the facilities evaluation function.	
2. The Department of Finance may authorize the transfer of funds from Schedule (b) of this item to Schedule (f) of Item 5180-151-001, Adoptions, in order to allow counties to perform the adoption programs function.	
3. The Department of Social Services shall not create a specialized unit within the Administrative Adjudications Division for intentional program violations. In funding 6.5 limited-term administrative law judge positions to address the administrative disqualification hearing workload, it is the intent of the Legislature that administrative disqualifications be processed by all administrative law judges within the division to ensure full and impartial hearings.	
5180-002-890—For support of Department of Social Services, for payment to Item 5180-002-001 payable from the Federal Trust Fund	56,921,000
Provisions:	
1. The Department of Finance may authorize the transfer of federal funds from this item to Items 5180-151-890 and 5180-161-890 in order to allow counties to perform the facilities evaluation function in Community Care Licensing, and the	

Item	Amount
<p>adoptions program functions in the Department of Social Services.</p> <p>5180-005-001—For support Department of Social Services, Aid to Families with Dependent Children..</p>	12,353,000
Schedule:	
(a) 10-Aid to Families with Dependent Children	25,690,000
(ax) Administration	5,734,000
(ay) Distributed administration	-5,734,000
(b) Amount payable from the Federal Trust Fund (Item 5180-005-890) ..	-13,337,000
Provisions:	
1. The Department of Finance may authorize the transfer of General Fund moneys from this item to Item 5180-001-001 pursuant to a declaration of emergency. Any transfer may not be authorized sooner than 30 days after notification in writing of the necessity therefor to the chairperson of the committee in each house which considers appropriations and the Chairperson of the Joint Legislative Budget Committee, or not sooner than whatever lesser time the chairperson of the joint committee, or his or her designee, may in each instance determine.	
2. (a) Funds appropriated in this item may be used to fund the county share of development and maintenance and operation costs for the first 12 months of implementation of the Statewide Automated Welfare System (SAWS) for each county participating in the SAWS. Implementation shall be deemed to begin in each county when the county receives state certification that the SAWS application is operational on the first group of workstations in that county.	
(b) (1) Each participating county shall secure the prior approval of the Department of Social Services for any use of SAWS equipment, software, or resources for activities and program administration not eligible for federal financial participation.	
(2) Each participating county shall allocate SAWS costs to the respective programs eligible for federal financial participation in accordance with the cost allocation requirements of each program.	

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(3) Each participating county shall allocate as SAWS costs only costs for activities and program administration eligible for federal financial participation.	
(c) If a county uses SAWS equipment, software, or resources for activities or program administration not eligible for federal financial participation, and fails to comply with subdivision (b), the county shall be liable to the Department of Social Services for any disallowance due to that use by the county of SAWS equipment, software, or resources. In the event of such a loss, the department may recover the loss by reducing funds otherwise due the county as state participation in programs administered by the county under the supervision of the Department of Social Services.	
3. The Department of Finance may approve and transfer funds between 5180-141-001 and 5180-005-001 and from 5180-001-001 to 5180-141-001 and 5180-005-001 for the implementation of the Statewide Automated Welfare System (SAWS). The Department of Finance may approve and transfer funds to 5180-001-001 from 5180-141-001 and 5180-005-001 only for the implementation of SAWS and contingent on the Department of Social Services (DSS) not transferring any of its SAWS allocation in 5180-001-001 for any other DSS activities, except in an event of a declared emergency as specified in provision 1 of this item.	
4. In implementing SAWS or SAWS demonstration projects, the Department of Social Services shall take steps to ensure that there is no conflict of interest between departmental staff and vendors.	
5. The Department of Social Services shall prepare and submit a plan on the expansion/modification of the interim SAWS project to medium sized counties and allow for the testing of existing technology other than that chosen for the initial 14 county interim projects. The report shall be submitted to the chairperson of the fiscal sub-committees of each house and the Joint Legislative Budget Committee by October 1, 1994. The report shall include a cost/benefit	

Item	Amount
<p>analysis and make recommendations on the number of counties to be included in such a project.</p> <p>6. Beginning July 1, 1994, the Department of Social Services shall make quarterly reports to the fiscal committees of each house and the Joint Legislative Budget Committee regarding the implementation schedule of the interim SAWS project. The report shall include the revised timelines for case conversion in each of the counties, the benchmarks used for measuring the eligibility error rates, the costs in each major program, the county administrative costs in each county, the data collected to validate cost-effectiveness, the projected completion date of the interim SAWS project, the revised date for release of a request for proposal or invitation for bid for the statewide SAWS project, and the year-to-date expenditures on the interim SAWS project, including state operations, county administration, information technology, training, and case conversion costs.</p> <p>7. The Department of Social Services shall strive for maximum competition for contract awards associated with the implementation of the statewide SAWS, consistent with state law and policies governing the procurement of goods and services. The department shall provide to the chairpersons of the fiscal committees and the chairperson of the Joint Legislative Budget Committee, or his or her designee, a copy of any draft request for proposal or invitation for bid at the same time that it is provided to the Department of Finance.</p> <p>8. Of the amount appropriated in this item, \$400,000 (\$200,000 from the General Fund and \$200,000 of federal funds) shall be redirected, from funds provided for the Multiple Platform SAWS demonstrations to the Bureau of State Audits for 1994-95 fiscal year costs of the contract for an independent consultant pursuant to Provision 2 of Item 8855-001-001. To the extent that the total amount appropriated for Items 5180-001-001, 5180-002-001, and 5180-005-001 exceeds \$117,938,000, funds for that contract shall be redirected from those items.</p>	

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5180-005-890—For support of the Department of Social Services, Aid to Families with Dependent Children, for payment to Item 5180-005-001, payable from the Federal Trust Fund	13,337,000
Provisions:	
1. The Department of Finance may approve and transfer funds between 5180-141-890 and 5180-005-890 and from 5180-001-890 to 5180-141-890 and 5180-005-890 for the implementation of the Statewide Automated Welfare System (SAWS). The Department of Finance may approve and transfer funds to 5180-001-890 from 5180-141-890 and 5180-005-890 only for the implementation of SAWS and contingent on the Department of Social Services (DSS) not transferring any of its SAWS allocation in 5180-001-890 for any other DSS activities, except in an event of a declared emergency as specified in Provision 1 of Item 5180-005-001.	
5180-011-001—For support of Department of Social Services, for transfer to the Foster Family Home and Small Family Home Insurance Fund	1,019,000
Provisions:	
1. Provision 1 of Item 5180-001-131 is also applicable to this item.	
5180-011-890—For support of Department of Social Services, for transfer to the Foster Family Home and Small Family Home Insurance Fund	484,000
Provisions:	
1. Provision 1 of Item 5180-001-131 is also applicable to this item.	
5180-101-001—For local assistance, Department of Social Services	3,204,481,000
Schedule:	
(a) 10.01.005-Aid to Families with Dependent Children (Family Group and Unemployed Parent)	5,843,718,000
(b) 10.02-Foster Care.....	726,354,000
(c) 10.03-Non-AFDC Child Support Incentives	53,433,000
(d) 10.05-Aid for Adoption of Children/Adoption Assistance Program	87,778,000
(e) 10.06-Child Care	20,550,000
(f) 10.07-Refugee Cash Assistance	23,877,000

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(g) Amount payable from the Federal Trust Fund (Item 5180-101-890)	-3,551,229,000

Provisions:

1. No funds appropriated by this item shall be encumbered unless every rule or regulation adopted and every all-county letter issued by the Department of Social Services that adds to the cost of any welfare program is approved by the Department of Finance as to the availability of funds before it becomes effective. In making the determination as to availability of funds to meet the expenditures of a rule, regulation, or all-county letter that would increase the costs of a welfare program, the Department of Finance shall consider the amount of the proposed increase on an annualized basis, the effect the change would have on the expenditure limitations for the program set forth in this act, the extent to which the rule, regulation, or all-county letter constitutes a deviation from the premises under which the expenditure limitations were prepared, and any additional factors relating to the fiscal integrity of the program or the state's fiscal situation.

Notwithstanding Sections 27.00 and 28.00 of this act, the availability of funds contained in this item for welfare rules, regulations, or all-county letters that add to program costs funded from the General Fund in excess of \$500,000 on an annual basis, including those that are the result of a federal regulation but excluding those that are (a) specifically required as a result of the enactment of a federal or state law, or (b) included in the appropriation made by this act, shall not be approved by the Department of Finance sooner than 30 days after notification in writing of the necessity therefor to the chairperson of the committee in each house that considers appropriations and the Chairperson of the Joint Legislative Budget Committee, or such lesser time as the chairperson of the committee, or his or her designee, may in each instance determine.

Funds appropriated in this item are for welfare programs as they exist on July 1, 1994, consisting of state and federal statutory law, regula-

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tions, and court decisions, if funds necessary to carry out those decisions are specifically appropriated in this act.

For purposes of this provision "welfare" shall mean those program elements under "Welfare Program Operations," as identified in the Governor's Budget.

2. Notwithstanding Chapter 1 (commencing with Section 18000) of Part 6 of Division 9 of the Welfare and Institutions Code, a loan not to exceed \$250,000,000 shall be made available from the General Fund, from funds not otherwise appropriated, to cover the federal share of costs of a program (s) when the federal share has not been received by this state prior to the usual time for transmitting that federal share to the counties of this state. This loan from the General Fund shall be repaid when the federal share of costs for the program or programs becomes available.
3. The Department of Finance may authorize the transfer of amounts from this item to Item 5180-002-001 in order to fund the cost of the administrative hearing process associated with changes in aid payments in the Aid to Families with Dependent Children program.
4. The Department of Finance is authorized to approve expenditures in those amounts made necessary by changes in either caseload or payments, or any rule or regulation adopted and any all-county letter issued as a result of the enactment of a federal or state law, the adoption of a federal regulation, or the following of a court decision, during the 1994-95 fiscal year that are within or in excess of amounts appropriated in this act for that year.

If the Department of Finance determines that the estimate of expenditures will exceed the expenditures authorized for this item, the department shall so report to the Legislature. At such time as the report is made, the amount of the limitation shall be increased by the amount of such excess unless and until otherwise provided by law.

5. Notwithstanding any other provision of law, and pursuant to plans approved by the Department of Finance, the Department of Social Services shall reduce Child Support Enforcement Incen-

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tive payments in Program 10.03 in order to recoup loan amounts made to the counties pursuant to Provision 1 of Item 5180-001-001 of this act.

- 6. The Department of Finance may authorize the transfer of amounts from this item to Item 5180-141-001 (a), Program 10.20, County Administration, to reimburse counties for overpayment recovery activities pursuant to Chapter 64 of the Statutes of 1993.
- 9. The Department of Finance may authorize the transfer of funds, in a total amount not exceeding \$40,114,000, from this item to Schedule (e) of Item 5180-151-001, Child Welfare Services, in order to advance funds to participating counties to conduct a program of family reunification and family maintenance services pursuant to Sections 16500.5 and 16500.55 of the Welfare and Institutions Code.
- 10. Notwithstanding any other provision of law, no funds appropriated in this item shall be used for a cost-of-living adjustment (COLA) for foster care group homes.

5180-101-890—For local assistance, Department of Social Services, for payment to Item 5180-101-001, payable from the Federal Trust Fund 3,551,229,000

Provisions:

- 1. Provisions 1 to 4, inclusive, of Item 5180-101-001 are also applicable to this item.
- 2. The Department of Finance may authorize the transfer of amounts from this item to Item 5180-002-890 in order to fund the cost of the administrative hearing process associated with changes in aid payments in the Aid to Families with Dependent Children program.
- 3. The Department of Finance may authorize the transfer of funds, in a total amount not to exceed \$2,561,000, from this item to Item 5180-151-890, in order to advance funds to participating counties to conduct a program of family reunification and family maintenance services pursuant to Sections 16500.5 and 16500.55 of the Welfare and Institutions Code.
- 4. Notwithstanding any other provision of law, no funds appropriated in this item shall be used for a cost-of-living adjustment (COLA) for foster care group homes.

Item	Amount
5180-111-001—For local assistance, Department of Social Services	2,050,627,000
Schedule:	
(a) 10.08-SSI/SSP	2,103,832,000
(b) Reimbursements.....	—31,000,000
(c) Amount payable from the Federal Trust Fund (Item 5180-111-890) ..	—22,205,000
Provisions:	
1. Provision 1 and Provision 4 of Item 5180-101-001 are also applicable to this item.	
2. The \$4,793,000 General Fund savings reflected in this item is the savings assumed from obtaining a federal law change to (a) deny retroactive payments to any SSI/SSP recipient who receives aid as the result of an alcohol or drug problem until he or she has entered treatment and to apply these payments toward the cost of prospective treatment, and (b) deny SSI/SSP benefits to any recipient who has been offered a treatment slot and refuses treatment or who does not complete his or her treatment program.	
4. The Department of Social Services shall report to the legislative fiscal committees by December 1, 1994, on the feasibility of securing federal Medicaid funds for personal care services provided by nonmedical out-of-home care facilities to SSI/SSP recipients, and shall estimate the net fiscal effect on the state budget that would result from adopting this policy. If the establishment of additional payment categories would preclude adoption of this policy, the department shall review options for condensing existing categories in order to resolve this potential obstacle.	
5. (a) Individuals who have been convicted of a felony related to the sale or possession of a controlled substance for which they are sentenced to the state prison, and who at the time of conviction are receiving SSI/SSP due to a drug- or alcohol-related disability, shall not receive SSI/SSP from the state for a period of two years following the date of the conviction, to the extent that this prohibition is consistent with federal law governing eligibility for SSI/SSP benefits or is authorized by an applicable federal waiver.	

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(b) Individuals who have been convicted of a felony related to the sale or possession of a controlled substance and who have been disqualified to receive SSI/SSP under this provision shall also be ineligible to receive general assistance for a period of two years following the date of the conviction.	
5180-111-890—For local assistance, Department of Social Services, for payment to Item 5180-111-001, payable from the Federal Trust Fund	22,205,000
Provisions:	
1. Provision 1 and Provision 4 of Item 5180-101-001 are also applicable to this item.	
5180-141-001—For local assistance, Department of Social Services	420,153,000
Schedule:	
(a) 10.20-County Administration... 1,394,038,000	
(b) Amount payable from the Federal Trust Fund (Item 5180-141-890) .. -973,885,000	
Provisions:	
1. The Department of Social Services may act in the place of any county and assume direct responsibility for the administration of eligibility and grant determination. Upon recommendation of the Director of Social Services, the Department of Finance may authorize the transfer of funds from Items 5180-141-001 and 5180-141-890, to Items 5180-001-001, 5180-001-890, 5180-005-001, and 5180-005-890 for this purpose.	
2. During the 1994–95 fiscal year, pursuant to Sections 15204.5 and 18906 of the Welfare and Institutions Code, the Department of Social Services shall continue the implementation of a plan whereby costs for county administration for AFDC and Food Stamp Programs will be effectively controlled within the total state funds appropriated for Program 10.20, County Administration.	
Except as provided for in Provisions 5 and 16 of this item, the total amount of state funds available to the counties for administration of the programs specified in Program 10.20, County Administration, shall be limited to the amount appropriated for that program.	
3. Notwithstanding any other provision of law, the Department of Social Services may withhold state financial support of a county’s automated	

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<p>welfare operations if the county does not provide a fiscal accounting of those operations in the form and manner as may be requested by the department. Provided further, that the Department of Social Services may enter into an agreement with a county wherein state financial support for the development or modification of county-automated welfare operations is conditioned upon the realization of savings projected by the county and upon a finding by the Department of Social Services that the development or modification of county-automated welfare operations is consistent with development and implementation of the Statewide Automated Welfare System.</p>	
4. Provision 1 of Item 5180-101-001 is also applicable to this item.	
5. Pursuant to public assistance caseload estimates reflected in the annual Governor's Budget, the Department of Finance may approve expenditures in those amounts made necessary by changes in caseload that are in excess of amounts appropriated in this act. If the Department of Finance determines that the estimate of expenditures will exceed the expenditures authorized for this item, the department shall so report to the Legislature. At the time the report is made, the amount of the limitation shall be increased by the amount of the excess unless and until otherwise provided by law.	
6. The Department of Finance may augment the funds appropriated in this item to make allocations to fund county plans that are approved by the State Department of Social Services under Section 15200.6 of the Welfare and Institutions Code.	
7. Counties shall review all existing nonfederal cases in the Adoptions Assistance Program and identify and reclassify those cases that are eligible for federal financial participation. Counties shall fund the administrative cost from savings resulting from the reclassification of nonfederal cases to federal cases. Of the amount of retroactive federal payments received by the state, the department shall allocate to the counties any funds associated with the counties' share of savings.	

Item	Amount
8. The Department of Social Services, with the advice of the County Welfare Directors Association, shall conduct a study of the variance in overhead rates among a representative sample of counties. The study shall include a review of counties with high and low overhead rates. The department shall report its findings, including the reasons for the variance in overhead rates, and its recommendations to the Legislature by January 1, 1995.	
9. The Department of Finance may approve and transfer funds between this item and 5180-005-001 and from 5180-001-001 to this item for the implementation of the Statewide Automated Welfare System (SAWS). The Department of Finance may approve and transfer funds to 5180-001-001 from this item only for the implementation of SAWS and contingent on the Department of Social Services (DSS) not transferring any of its SAWS allocation in 5180-001-001 for any other DSS activities, except in an event of a declared emergency as specified in provision 1 of item 5180-005-001.	
11. The Department of Social Services shall allocate administrative funds in the TCC Program to counties based primarily on factors related to potential service demand, including, specifically, the number of TCC eligibles and the number of program participants.	
12. The Department of Social Services shall report to the fiscal committees of each house of the Legislature on the findings of the Transitional Child Care (TCC) utilization and outreach surveys and its recommendations on improving the TCC program by April 1, 1995.	
13. The reappropriation of funds to this item for SAWS demonstration projects is conditional upon the approval of an SPR by the Department of Finance for that purpose and notification provided to the Chairman of the Joint Legislative Budget Committee and the fiscal committees of each house.	
14. In implementing SAWS or SAWS demonstration projects the respective county welfare departments and the Department of Social Services shall take steps to ensure that there is no	

Item	Amount
<ul style="list-style-type: none"> conflict of interest between departmental staff and vendors. 	
<ul style="list-style-type: none"> 16. (a) None of the funds appropriated in this item shall be used by the Department of Social Services or the County of Los Angeles for the Los Angeles Automated Fingerprint Image Reporting and Match System (AFIRM), except as otherwise provided in subdivision (b). The Department of Social Services shall take steps to ensure compliance with this provision. <li style="padding-left: 2em;">(b) The Department of Social Services shall pay to the County of Los Angeles reimbursement in an amount not to exceed \$3,979,000 or actual county costs, whichever is less, in state grant savings resulting from AFIRM. The Department of Finance may authorize the transfer of funds from Item 5180-101-001 to this item for the purpose of making that reimbursement. 	
<ul style="list-style-type: none"> 5180-141-890—For local assistance, Department of Social Services, for payment to Item 5180-141-001, payable from the Federal Trust Fund 	973,885,000
<ul style="list-style-type: none"> Provisions: <li style="padding-left: 2em;">1. Provisions 1 to 6, inclusive, of Item 5180-141-001 are also applicable to this item. <li style="padding-left: 2em;">2. The Department of Finance may approve and transfer funds between this item and 5180-005-890 and from 5180-001-890 to this item for the implementation of the Statewide Automated Welfare System (SAWS). The Department of Finance may approve and transfer funds to 5180-001-890 from this item only for the implementation of SAWS and contingent on the Department of Social Services (DSS) not transferring any of its SAWS allocation in 5180-001-890 for any other DSS activities, except in an event of a declared emergency as specified in provision 1 of item 5180-005-001. 	
<ul style="list-style-type: none"> 5180-151-001—For local assistance, Department of Social Services 	595,066,000
<ul style="list-style-type: none"> Schedule: <li style="padding-left: 2em;">(a) 20.01-In-Home-Supportive Services..... 	716,305,000
<ul style="list-style-type: none"> <li style="padding-left: 4em;">(1) 20.01.010-Services.. <li style="padding-left: 4em;">(2) 20.01.015-Administration 	589,670,000 126,635,000

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(b) 20.05-Employment Services	250,138,000
(c) 20.08-Cal-Learn	50,142,000
(d) 20.10-Child Care	62,279,000
(e) 20.43-Child Welfare Services.....	603,643,000
(f) 20.44-Adoptions	31,850,000
(g) 20.47-Child Abuse Prevention.....	19,208,000
(h) 20.50-Special Programs	62,724,000
(1) 20.50.001-Special- ized Services	474,000
(2) 20.50.005-Access Assistance for the Deaf	3,304,000
(3) 20.50.010-Mater- nity Care	2,010,000
(4) 20.50.015-Refugee Assistance Ser- vices.....	36,300,000
(5) 20.50.020-County Services Block Grant.....	20,636,000
(i) Reimbursements.....	-306,875,000
(ix) Amount payable from the Em- ployment Training Fund (Item 5180-151-514)	-20,000,000
(j) Amount payable from the Federal Trust Fund (Item 5180-151-890)	-874,348,000

Provisions:

1. The funds appropriated by this item are for Social Services Programs, for the cost of special social services programs for which federal grants in aid are made to the state; for grants or services to local agencies for the extension of child welfare services as provided by Chapter 5 (commencing with Section 16500) of Part 4 of Division 9 of the Welfare and Institutions Code; for the cost of the adoption programs and care of children, to be expended in accordance with the provisions of Chapter 2 (commencing with Section 16100) of Part 4 of Division 9 of the Welfare and Institutions Code; for the costs incurred by counties, including, but not limited to, the required county funds, for in-home supportive services as provided by Article 7 (commencing with Section 12300) of Chapter 3 of Part 3 of Division 9 of the Welfare and Institutions Code, and for prevention of child abuse and neglect as

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provided by Chapter 11 (commencing with Section 18950) of Part 6 of Division 9 of the Welfare and Institutions Code.	
2. Provision 1 of Item 5180-101-001 is also applicable to this item.	
3. The Department of Finance may authorize the transfer of amounts from this item to Item 5180-002-001, Program 20.44, Adoptions Program, in order to allow the state to perform the adoption programs functions in the event the counties fail to perform those functions.	
4. Notwithstanding Chapter 1 (commencing with Section 18000) of Part 6 of Division 9 of the Welfare and Institutions Code, a loan not to exceed \$113,000 shall be made available from the General Fund from funds not otherwise appropriated, to cover the federal share of costs of a program(s) when the federal share has not been received by this state prior to the usual time for transmitting such federal share to the counties of this state. Such loan from the General Fund shall be repaid when the federal share of costs for the program(s) becomes available.	
5. The Department of Finance may approve expenditures for Program 20.08, Cal-Learn, in those amounts made necessary by changes in caseload or supportive services payments which are in excess of amounts appropriated in this act. If the Department of Finance determines that the estimate of Cal-Learn expenditures will exceed the expenditures authorized for this program, the department shall so report to the Legislature. At the time the report is made, the amount of the limitation shall be increased by the amount of the excess unless and until otherwise provided by law.	
6. The Department of Finance may augment the amount appropriated in this item for Program 20.05, Employment Services, to make allocations to fund GAIN county plans that are approved by the California Department of Social Services. The amount of such augmentation shall not exceed the unencumbered balance for Program 20.05, Employment Services, Item 5180-151-001, Budget Act of 1993.	
7. Cal-Learn case management includes services provided pursuant to the Adolescent Family	

Item	Amount
<p>Life Program (AFLP) Standards and the Cal-Learn program-specific case manager activities required under Article 3.5 (commencing with Section 11331) of Chapter 2 of Part 3 of Division 9 of the Welfare and Institutions Code. Any county that contracts out for case management services shall reimburse the contractor at an annual rate of \$1,650 per Cal-Learn client. This amount does not include mandated functions of county social service departments, including final determination of bonuses, sanctions, good cause, program exemption and deferral, administrative costs for supportive services, and Department of Social Services requirements for county data reporting. The Department of Social Services and the Department of Health Services shall jointly develop a method of determining actual costs of case management and county welfare administration for the Cal-Learn program and report their findings to the appropriate legislative subcommittees by April 15, 1995. Subject to the availability of federal financial participation, the funds appropriated by this item for the Cal-Learn program may be used for startup costs including, but not limited to, training, curriculum development, and other appropriate one-time costs.</p> <p>8. Of the amount appropriated in this item, up to \$327,000 may be transferred to Item 5180-001-001 for the costs of administering the Juvenile Crime Initiative.</p> <p>9. The Department of Social Services, with the advice of the County Welfare Directors Association, shall conduct a study of the variance in overhead rates among a representative sample of the counties. The study shall include a review of counties with high and low overhead rates. The department shall report its findings, including the reasons for the variance in overhead rates, and its recommendations to the Legislature by January 1, 1995.</p> <p>10. The Department of Social Services shall not use either staff or funds to implement the Performance Demonstration Project in the GAIN program until it receives legislative approval to establish this program.</p>	

Item	Amount
5180-151-514—For local assistance, Department of Social Services, for payment to Item 5180-151-001, payable from the Employment Training Fund	20,000,000
5180-151-890—For local assistance, Department of Social Services, for payment to Item 5180-151-001, payable from the Federal Trust Fund	874,348,000
Provisions:	
1. Provisions 1, 5, and 6 of Item 5180-151-001 and Provision 1 of Item 5180-101-001 are also applicable to this item.	
2. The Department of Finance may authorize the transfer of amounts from this item to Item 5180-002-890 in order to allow the state to perform the adoption programs functions in the adoptions program in the event the counties fail to perform those functions.	
5180-161-001—For local assistance, Department of Social Services	1,597,000
Schedule:	
(a) 30-Community Care Licensing	9,137,000
(b) Amount payable from the Federal Trust Fund (Item 5180-161-890) ..	-7,540,000
Provisions:	
1. The Director of Finance may authorize the transfer of amounts from this item to Item 5180-002-001, Program 30—Community Care Licensing, in order to allow the state to perform the facilities evaluation function in the event the counties fail to perform that function.	
5180-161-890—For local assistance, Department of Social Services, for payment to Item 5180-161-001, payable from the Federal Trust Fund	7,540,000
Provisions:	
1. The Director of Finance may authorize the transfer of amounts from this item to Item 5180-002-890 in order to allow the state to perform the facilities evaluation function in the Community Care Licensing Program in the event the counties fail to perform that function.	
5180-491—Reappropriation, Department of Social Services. Notwithstanding any other provision of law, the appropriations provided in the following citations are reappropriated on the effective date of this act for the purposes (and subject to the limitations unless otherwise specified) provided for in the appropriations and shall be available for expenditure until June 30, 1995:	

Item	Amount
001—General Fund	
(1) Up to \$4,000,000 of the unexpended appropriation provided in Item 5180-151-001, Budget Act of 1993, is reappropriated for transfer to and in augmentation of Item 5180-151-001, Budget Act of 1994, Program 20, Social Services Programs, for subvention to the counties to continue to expand foster parent training, and for recruitment and specialized training for foster parents of children with special care needs.	
(2) Up to \$1,419,826 of the unencumbered balance of the appropriation provided in Item 5180-001-001 of the Budget Act of 1993, or so much thereof as is necessary, is reappropriated for transfer to and in augmentation of Item 5180-001-001 of this act for implementation of the Statewide Automated Child Support System (SACSS).	
(3) The remaining unencumbered balance of the appropriation provided in Item 5180-001-001 of the Budget Act of 1993 is reappropriated for transfer to and in augmentation of Items 5180-001-001 and 5180-005-001 of this act for implementation of the Statewide Automated Welfare System (SAWS).	
(4) Of the unexpended balance of the appropriation provided in Item 5180-141-001 of the Budget Act of 1992, up to \$5,000,000, or so much thereof as is necessary, is reappropriated for transfer to and in augmentation of Items 5180-001-001 and 5180-005-001 of this act for implementation of SAWS demonstration projects to test the application of the SAWS system on various hardware platforms.	
890—Federal Funds	
(1) Up to \$8,086,374 of the unencumbered balance of the appropriation provided in Item 5180-001-890 of the Budget Act of 1993, or so much thereof as is necessary, is reappropriated for transfer to and in augmentation of Item 5180-001-890 of this act for implementation of the Statewide Automated Child Support System (SACSS).	
(2) The remaining unencumbered balance of the appropriation provided in Item 5180-001-890 of the Budget Act of 1993 is reappropriated for	

Item	Amount
transfer to and in augmentation of Items 5180-001-890 and 5180-005-890 of this act for implementation of the Statewide Automated Welfare System (SAWS).	
(3) Of the unencumbered balance of the appropriation provided in Item 5180-141-890 of the Budget Act of 1992, up to \$5,000,000, or so much thereof as necessary, is reappropriated for transfer to and in augmentation of Items 5180-001-890 and 5180-005-890 of this act for implementation of SAWS demonstration projects to test the application of the SAWS system on various hardware platforms.	
5180-495—Reversion, Department of Social Services. Notwithstanding any other provision of law, as of August 31, 1994, \$8,033,000 of the unencumbered balance of the appropriation in Item 5180-001-001 of the Budget Act of 1993, shall revert to the General Fund.	

YOUTH AND ADULT CORRECTIONAL AGENCY

5240-001-001—For support of the Department of Corrections.....	2,806,161,000
Schedule:	
(a) 21-Institution Program.....	2,637,741,000
(b) 31-Community Correctional Program	314,789,000
(c) 41.01-Administration	133,239,000
(d) 41.02-Distributed Administration	-129,319,000
(dx) Unallocated Reduction.....	-10,000,000
(e) Reimbursements.....	-31,276,000
(f) Amount payable from the 1984 Prison Construction Fund (Item 5240-001-724)	-2,394,000
(g) Amount payable from the 1990 Prison Construction Fund (Item 5240-001-751)	-38,136,000
(h) Amount payable from the 1990 Prison Construction Fund (Item 5240-001-751, Budget Act of 1993, as reappropriated by Item 5240-490, Budget Act of 1994)	-950,000

Item	Amount
(i) Amount payable from the Petroleum Violation Escrow Account (Item 5240-001-853, Budget Act of 1992, as reappropriated by Item 5240-490, Budget Act of 1994)	-1,994,000
(j) Amount payable from the Public Safety Fund (1994) (Item 5240-001-754)	-21,597,000
(i) Amount payable from the Federal Trust Fund (Item 5240-001-890) ..	-217,000
(k) Amount payable from the Inmate Welfare Fund (Item 5240-001-917)	-43,650,000
(l) Amount payable from the Asset Forfeiture, Special Deposit Fund (Item 5240-001-942)	-75,000
Provisions:	
1. Funds appropriated to accommodate projected institutional population levels in excess of those that actually materialize, if any, shall revert to the General Fund, unless the encumbrance of those funds is authorized by the Department of Finance, not sooner than 30 days after notification in writing of the necessity therefor, to the legislative fiscal committees and the Joint Legislative Budget Committee.	
2. Funds appropriated to accommodate projected parole population levels in excess of those that actually materialize, if any, shall revert to the General Fund, unless the encumbrance of those funds is authorized by the Department of Finance, not sooner than 30 days after notification in writing of the necessity therefor, to the legislative fiscal committees and the Joint Legislative Budget Committee.	
3. No positions for the new prisons and camps proposed for activation in the 1994-95 fiscal year may be filled prior to 30 days' advance notification to the Department of Finance, the legislative fiscal committees and the Joint Legislative Budget Committee, or not sooner than whatever lesser time the Chairperson of the Joint Legislative Budget Committee, or his or her designee, may in each instance determine.	
4. The Department of Corrections shall notify the Joint Legislative Budget Committee and the fiscal committees of the Legislature of any	

Item	Amount
<p>changes in the department's weapons policies within 30 days of the change. Reportable changes include, but are not limited to, changes in weapon sizes or type, conversions of non-armed posts to armed posts, and any changes in Section 4800 of the department's operations manual.</p> <p>5. It is the intent of the Legislature that the Department of Corrections shall utilize funds appropriated by this item to maintain, at a minimum, its current level of staff employed in accordance with Sections 12000 to 12005, inclusive, of the Unemployment Insurance Code.</p> <p>6. Any funds recovered as a result of audits of locally operated return-to-custody centers shall revert to the General Fund.</p> <p>7. It is the intent of the Legislature that the Department of Corrections operate in the most cost-effective and efficient manner possible when purchasing health care services for inmates. In order to achieve this goal, it is desirable that the department have the benefit of the experience of the California Medical Assistance Commission in planning and negotiating contracts for the purchase of health care services.</p> <p>The California Medical Assistance Commission may assist the Department of Corrections in planning and negotiating contracts for the purchase of health care services. The commission may either consult with the department or negotiate directly with providers on behalf of the department as mutually agreed by the commission and the department.</p> <p>The appropriation of funding in Schedule (a) anticipates that use of the California Medical Assistance Commission will result in \$3,000,000 in savings. To the extent that these savings do not occur, it is the intent of the Legislature to provide funding to offset the shortfall.</p> <p>8. Any funds appropriated by this item for the Correctional Management Information (CMIS) project may be redirected or eliminated as part of an unallocated budget reduction. In addition, any funds appropriated by this item for the CMIS project that are not expended for that project shall revert to the General Fund.</p>	

Item	Amount
9. Of the funds appropriated in Schedule (c), \$500,000 shall not be expended to modify the Offender Based Information System until the Department of Finance has approved a feasibility study report submitted by the Department of Corrections.	
10. Notwithstanding any other provision of law or departmental policy, the Department of Corrections may not use any of the funds appropriated in this act for the support of any unsupervised visits for any inmate who has been convicted of violating Section 288, 288.5, or 289 of the Penal Code.	
5240-001-724—For support of the Department of Corrections, for payment to Item 5240-001-001, payable from the 1984 Prison Construction Fund	2,394,000
5240-001-751—For support of the Department of Corrections, for payment to Item 5240-001-001, payable from the 1990 Prison Construction Fund	38,136,000
5240-001-754—For support of the Department of Corrections, for payment to Item 5240-001-001, payable from the Public Safety Fund (1994)	21,597,000
5240-001-890—For support of the Department of Corrections, for payment to Item 5240-001-001, payable from the Federal Trust Fund.....	217,000
5240-001-917—For support of the Department of Corrections, for payment to Item 5240-001-001, payable from the Inmate Welfare Fund.....	43,650,000
5240-001-942—For support of the Department of Corrections, for payment to Item 5240-001-001, payable from the Asset Forfeiture, Special Deposit Fund.....	75,000
5240-003-001—For support of the Department of Corrections for rental payments on lease revenue bonds.....	138,957,000
Schedule:	
(a) Southern Maximum Security Complex.....	12,178,000
(b) Mule Creek State Prison	16,109,000
(c) California State Prison-Kings County at Corcoran	34,412,000
(d) Pelican Bay State Prison.....	28,073,000
(e) Central California Women's Facility	15,374,000
(f) Calipatria State Prison.....	18,718,000
(g) Imperial County-South	19,696,000
(h) McGee Training Academy	1,081,000

Item	Amount
(i) California State Prison-Coalinga ...	2,309,000
(j) Insurance.....	1,639,000
(k) Reimbursements.....	- 10,632,000
5240-101-001—For local assistance, Department of Corrections.....	24,136,000
Schedule:	
(a) 21-Institution Program.....	9,439,000
(b) 31-Community Correctional Program	14,697,000

Provisions:

1. The amount appropriated by this item is provided for the following purposes:

a. To pay the transportation costs of prisoners to and between state prisons, including the return of parole violators to prison and for the conveying of persons under provisions of Division 3 (commencing with Section 3000) of the Welfare and Institutions Code and the Western Interstate Corrections Compact (commencing with Section 11190 of the Penal Code), in accordance with the provisions of Section 26749 of the Government Code. Provided, that claims filed by local jurisdictions shall be filed within six months after the end of the month in which such transportation costs are incurred; and provided further, that expenditures shall be charged to either the fiscal year in which the claim is received by the Controller or the fiscal year in which the warrant is issued by the Controller.

Provided further, that claims filed by local jurisdictions directly with the Controller may be paid by the Controller.

b. To pay the expenses of returning fugitives from justice from outside the state, in accordance with the provisions of Sections 1389, 1549 and 1557 of the Penal Code. Provided, that claims filed by local jurisdictions shall be filed within six months after the end of the month in which expenses are incurred, that expenditures shall be charged to either the fiscal year in which the claim is received by the Controller or the fiscal year in which the warrant is issued by the Controller, and any restitution received by the state for such expenses be credited to the appropriation of

Item

Amount

the year in which the Controller's receipt is issued.

Provided further, that claims filed by local jurisdictions directly with the Controller may be paid by the Controller.

- c. To pay court costs and county charges, payable under Sections 4700.1, 4750 to 4755, inclusive, and 6005 of the Penal Code. Provided, that claims shall be filed by local jurisdictions within six months after the end of the month in which a service is performed by the coroner, a hearing is had on the return of a writ of habeas corpus, the district attorney declines to prosecute a case referred by the Department of Corrections, a judgment is rendered for a court hearing or trial, an appeal ruling is rendered for the trial judgment, or an activity is performed as permitted by these sections; and provided further, that expenditures shall be charged to either the fiscal year in which the claim is received by the Controller or the fiscal year in which the warrant is issued by the Controller.

Provided further, that claims filed by local jurisdictions directly with the Controller may be paid by the Controller.

- d. To reimburse counties for the cost of detaining state parolees pursuant to Section 4016.5 of the Penal Code. Claims shall be filed by local jurisdictions within six months after the end of the month in which the costs are incurred. Claims filed by local jurisdictions may not include booking fees, may not recover detention costs in excess of \$59 per day, and shall be limited to the detention costs for those days on which parolees are held subject only to a Department of Corrections request pursuant to subdivision (b) of Section 4016.5 of the Penal Code. Expenditures shall be charged to either the fiscal year in which the claim is received by the Department of Corrections or the fiscal year in which the warrant is issued.

5240-301-723—For capital outlay, Department of Corrections, payable from the New Prison Construction Fund.....

2,131,000

Item	Amount
Schedule:	
(1) 61.01.001-Statewide Budget Packages and Advance Planning	300,000
(2) 61.03.202-California Correctional Center, Susanville: Primary and Secondary Electrical Distribution System—Construction	812,000
(3) 61.08.025-California Institution for Men, Chino: Denitrification Plant—Preliminary plans and working drawings.....	910,000
(4) 61.17.007-Avenal State Prison, Avenal: Bury Communication Cables, Preliminary plans, and working drawings	109,000
Provisions:	
1. The funds appropriated in Schedule (1) are to be allocated by the Department of Corrections, upon approval by the Department of Finance, to develop design and cost information for new projects for which funds have not been previously appropriated, but for which preliminary plan funds, working drawings funds, or working drawings and construction funds are expected to be included in the 1995–96 or 1996–97 Governor’s Budget, and for which cost estimates or preliminary plans can be developed prior to legislative hearings on the 1995–96 and 1996–97 Governor’s Budgets, respectively. These funds may be used for all of the following: budget package development, architectural programming, engineering assessments, schematic design, and preliminary plans. The amount appropriated in this item for that purpose is not to be construed as a commitment by the Legislature as to the amount of capital outlay funds it will appropriate in any future year.	
5240-301-746—For capital outlay, Department of Corrections, payable from the 1986 Prison Construction Fund.....	4,500,000
(1) 61.04.030-Minor Projects.....	4,500,000
5240-301-751—For capital outlay, Department of Corrections, payable from the 1990 Prison Construction Bond Fund	15,613,000

Item	Amount
Schedule:	
(1) 61.01.712-Statewide: Data Communications Infrastructure Upgrade—Construction	15,613,000
5240-301-754—For capital outlay, Department of Corrections, payable from the Public Safety Bond Fund (1994).....	17,519,000
Schedule:	
(1) 61.04.205-California Correctional Institution, Tehachapi: Abandoned Brine Pond Site Contamination Cleanup—Preliminary plans and working drawings	95,000
(2) 61.07.020-California State Prison at Folsom: Renovate Secondary Electrical Distribution System—Construction	1,263,000
(2.1) 61.08.020-California State Prison for Men, Chino: PCE Contamination Cleanup—Additional Study .	1,884,000
(3) 61.08.023-California Institution for Men, Chino: Replace Program “C” Dorms—Preliminary plans and working drawings.....	137,000
(6) 61.09.511-California State Prison at Solano, Vacaville: Construction of Administration Building Addition—Preliminary plans and working drawings.....	51,000
(7) 61.10.050-California Mens Colony, San Luis Obispo: Effluent Water Use—Working drawings and construction.....	3,558,000
(8) 61.10.051-California Mens Colony, San Luis Obispo: Central Services Kitchen Replacement—Preliminary plans and working drawings	53,000
(9) 61.10.200-California Mens Colony, San Luis Obispo: Primary and Secondary Electrical Distribution System—Preliminary plans.....	114,000
(10) 61.16.202-Sierra Conservation Center, Jamestown: Waste Water Treatment Plant—Construction ..	8,119,000
(11) 61.17.007-California State Prison, Avenal: Bury Communication Cables—Construction	2,245,000

Item	Amount
Provisions:	
1. The contract for the study to be funded in Schedule (2.1) shall require completion of a remediation plan for the PCE contamination at the California State Prison for Men, Chino.	
5240-302-754—For capital outlay, Department of Corrections, payable from the Public Safety Bond Fund (1994)	2,027,000
Schedule:	
(1) 61.01.711.940-Statewide Electrified Fencing: research, planning, studies, and preliminary plans ...	2,027,000
Provisions:	
1. No funds appropriated by this act shall be used to deactivate any yard tower at any institution that is to be studied utilizing funds appropriated in this item.	
2. Funds appropriated by this item shall be used, among other authorized expenditures, to complete an evaluation of the feasibility of installing an electrified fence at the Deuel Vocational Institution.	
3. No funds appropriated by this act shall be used for demolition of guard towers at any institution administered by the Department of Corrections.	
5240-490—Reappropriation, Department of Corrections. The balance of the appropriations provided in the following citations are reappropriated for the purposes provided for in those appropriations, and shall be available for encumbrance and expenditure until June 30, 1995:	
853—Petroleum Violation Escrow Account	
(1) Item 5240-001-853, Budget Act of 1992	
751—1990 Prison Construction Fund	
(1) Item 5240-001-751, Budget Act of 1993, an amount not to exceed \$950,000 to remediate hazardous waste sites at Folsom State Prison.	
5240-491—Reappropriation, Department of Corrections. The balances of the appropriations provided in the following citations are reappropriated for the purposes, and subject to the limitations unless otherwise specified, provided for in the appropriations:	
746—1986 Prison Construction Fund	
(1) Item 5240-302-746(4), Budget Act of 1993, 61.04.204—California Correctional Institution,	

Item	Amount
	Tehachapi: Primary and secondary electrical distribution system—Preliminary plans, working drawings, and construction.
(2)	Item 5240-302-746(5), Budget Act of 1993, 61.07.013—California State Prison at Folsom: Backflow prevention system—Working drawings and construction.
(3)	Item 5240-302-746(6), Budget Act of 1993, 61.07.020—California State Prison at Folsom: Secondary electrical distribution system—Preliminary plans and working drawings.
(4)	Item 5240-302-746(8), Budget Act of 1993, 61.08.021—California Institution for Men, Chino: Abandoned brine pond site contamination cleanup—Preliminary plans, working drawings, and construction.
(5)	Item 5240-302-746(11), Budget Act of 1993, 61.10.050—California Men’s Colony, San Luis Obispo: Effluent water use—Preliminary plans and working drawings.
(6)	Item 5240-302-746(19), Budget Act of 1993, 61.16.202—Sierra Correctional Center, Jamestown: Wastewater treatment plant—Study, preliminary plans, and working drawings.
(7)	Item 5240-302-746(20), Budget Act of 1993, 61.16.206—Sierra Correctional Center, Jamestown: Primary and secondary electrical distribution system—Construction.
5240-492	—Reappropriation, Department of Corrections. The balances of the appropriations provided in the following citations are reappropriated for the purposes, and subject to the limitations unless otherwise specified, provided for in the appropriations:
	747—1988 Prison Construction Fund
(1)	Para. (2), subd. (b), Sec. 3, Chapter 1479, Statutes of 1988, 61.28.001—California State Prison, Delano, In Kern County: 1,750-bed reception center and 500-bed Level III prison with a 200-bed service facility—Acquisition, site studies and suitability reports, environmental studies, master planning, architectural programming, schematics, preliminary plans, working drawings, construction, and long lead and equipment items, as reappropriated by Item 5240-491, Budget Act of 1991.

Item	Amount
(2) Para. (2), subd. (a), Sec. 3, Chapter 1479, Statutes of 1988, 61.27.001—California State Prison, Wasco, in Kern County: 1,750-bed reception center and 500-bed Level III prison with a 200-bed service facility—Acquisition, site studies and suitability reports, environmental studies, master planning, architectural programming, schematics, preliminary plans, working drawings, construction, and long lead and equipment items, as reappropriated by Item 5240-491, Budget Act of 1991.	
5430-001-001— For support of the Board of Corrections Schedule:	784,000
(a) 11-Corrections Standards and Services.....	2,416,000
(b) 21-Standards and Training for Local Officers.....	2,249,000
(c) Program 31.01-Administration.....	251,000
(d) Program 31.02- Distributed Administration.....	-251,000
(e) Reimbursements.....	-132,000
(f) Amount payable from the Corrections Training Fund (Item 5430-001-170).....	-2,100,000
(g) Amount payable from the 1986 County Correctional Facility Capital Expenditure Fund (Item 5430-001-711)	-774,000
(h) Amount payable from the 1988 County Correctional Facilities Capital Expenditure and Youth Facility Fund (Item 5430-001-796) ..	-858,000
(i) Amount payable from the Federal Trust Fund (Item 5430-001-890) ..	-17,000
Provisions:	
1. Notwithstanding any other provision of law, the Board of Corrections shall use no more than \$300,000 of the amount appropriated in this item for the inspection of local juvenile detention facilities and for the review, assessment, and adoption of standards for local juvenile detention facilities.	
2. The Board of Corrections shall use no more than \$75,000 of the amount appropriated in this item for the development of a system for data collection and information exchange and for the dis-	

Item	Amount
semination of statewide data on probation workloads, programs, and outcomes.	
5430-001-170—For support of the Board of Corrections, for payment to Item 5430-001-001, payable from Corrections Training Fund	2,100,000
5430-001-711—For support of the Board of Corrections, for payment to Item 5430-001-001, payable from the 1986 County Correctional Facility Capital Expenditure Fund	774,000
5430-001-796— For suport of the Board of Corrections, for payment to Item 5430-001-001, payable from the 1988 County Correctional Facilities Capital Expenditure and Youth Facility Fund	858,000
5430-001-890—For support of the Board of Corrections, for payment to Item 5430-001-001, payable from the Federal Trust Fund	17,000
5430-101-170—For local assistance, Board of Corrections, Program 21—Standards and Training for Local Officers, payable from the Corrections Training Fund.....	8,721,000
5440-001-001—For support of the Board of Prison Terms, Program 10	4,721,000
Provisions:	
1. Of the funds appropriated in this item, \$100,000 shall not be expended until the Board of Prison Terms reports to the Legislature on its efforts to notify prisoners who are undocumented aliens of their right to complete their prison terms in their home country. The board shall submit this report to the Legislature on or before January 1, 1995.	
5450-001-001—For support of the Youthful Offender Parole Board.....	3,198,000
5460-001-001—For support of the Department of the Youth Authority.....	303,521,000
Schedule:	
(a) 20-Institutions and Camps.....	285,298,000
(b) 30-Parole Services.....	42,085,000
(c) 50.01-Administration	16,689,000
(d) 50.02-Distributed Administration....	-16,415,000
(e) Reimbursements.....	-17,965,000
(f) Amount payable from the 1986 Prison Construction Fund (Item 5460-001-746)	-2,000,000
(g) Amount payable from the Public Safety Fund (1994) (Item 5460-001-754)	-1,500,000

Item	Amount
(h) Amount payable from the 1988 County Correctional Facilities Capital Expenditure and Youth Facility Bond Fund (Item 5460-001-796)	-364,000
(i) Amount payable from the State Lottery Education Fund (Item 5460-001-831)	-530,000
(j) Amount payable from the Federal Trust Fund (Item 5460-001-890) ..	-1,777,000
Provisions:	
1. Of the funds appropriated in Schedule (a), \$31,000 is provided for payment of energy service contracts in connection with the issuance of Public Works Board Energy Efficiency Revenue Bonds (State Pool Program), Series 1986A.	
2. To the extent legislation is enacted that would require the transfer of "M" Cases housed at the Department of the Youth Authority to the California Department of Corrections, it is the intent of the Legislature that any net savings resulting from this transfer shall be used for the expansion of the Youth Authority programs that enhance the transition of wards from incarceration back to living in the community. These programs may include, but are not limited to, Day Educational Centers, group homes for paroled wards, and community-based aftercare.	
3. Any moneys appropriated to any department for delinquency prevention and intervention programs shall be expended through a memorandum of understanding with the Department of the Youth Authority.	
5460-001-746—For support of the Department of the Youth Authority, for payment to Item 5460-001-001, payable from the 1986 Prison Construction Fund.....	2,000,000
5460-001-754—For support of the Department of the Youth Authority, for payment to Item 5460-001-001, payable from the Public Safety Fund (1994) .	1,500,000
5460-001-796—For support of the Department of the Youth Authority, for payment to Item 5460-001-001, payable from the 1988 County Correctional Facilities Capital Expenditure and Youth Facility Bond Fund	364,000

Item	Amount
5460-001-831—For support of the Department of the Youth Authority, for payment to Item 5460-001-001, payable from the California State Lottery Education Fund—California Youth Authority	530,000
Provisions:	
1. All funds received pursuant to Proposition 37 that are allocable to the Department of the Youth Authority pursuant to Section 8880.5 of the Government Code and that are in excess of the amount appropriated in this item, are hereby appropriated in augmentation of this item. Such additional funds may be expended only upon written approval of the Department of Finance.	
5460-001-890—For support of the Department of the Youth Authority, for payment to Item 5460-001-001, payable from the Federal Trust Fund	1,777,000
5460-011-001—For support of the Department of the Youth Authority (Proposition 98)	37,225,000
Schedule:	
20-Institutions and Camps	37,029,000
30-Parole Services.....	196,000
5460-101-001—For local assistance, Department of the Youth Authority.....	19,319,000
Schedule:	
(a) 20-Institutions and Camps.....	14,492,000
(b) 30-Parole Services.....	4,827,000
Provisions:	
1. The amount appropriated by this item is provided for the following purposes:	
a. To pay the transportation costs of persons committed to the Department of the Youth Authority to or between its facilities, including the return of parole violators; provided, that expenditures made under this item shall be charged to either the fiscal year in which the claim is received by the Controller or the fiscal year in which the warrant is issued by the Controller. However, claims shall be filed by local jurisdictions within six months after the end of the month in which the costs are incurred.	
b. To reimburse counties, pursuant to Section 1776 of the Welfare and Institutions Code, for the cost of the detention of Youth Authority parolees who are detained on alleged parole violations, provided that expenditures made	

Item	Amount
<p>under this item shall be charged to either the fiscal year in which the claim is received by the Controller or the fiscal year in which the warrant is issued by the Controller. However, claims shall be filed by local jurisdictions within six months after the end of the month in which the costs are incurred.</p> <p>c. Of the funds appropriated by this item, \$2,000,000 shall be used to support community-based organizations that provide gang violence reduction and intervention services pursuant to AB 2516 of the 1993-94 legislative session. Of these funds, \$1,000,000 shall be used to support the Gang Risk Intervention Pilot Program in Los Angeles County and \$1,000,000 shall be used to support similar efforts in northern California.</p> <p>d. Of the funds appropriated in this item, \$14,000,000 shall be allocated to the County of Los Angeles to reimburse costs incurred by the probation department for salaries, including overtime benefits deferred during the 1992-93 and 1993-94 fiscal years and projected overtime costs for the 1994-95 fiscal year.</p> <p>e. Of the funds appropriated in this item, \$200,000 shall be allocated to Sonoma County for the operation of juvenile camps and ranches in Sonoma County.</p> <p>f. Of the funds appropriated in this item, \$200,000 shall be allocated to the Greater Vallejo Recreation District for youth programs designated by the District.</p>	
5460-101-890—For local assistance, Department of the Youth Authority, for payment to Item 5460-101-001, payable from the Federal Trust Fund	3,087,000
5460-301-746—For capital outlay, Department of the Youth Authority, payable from the 1986 Prison Construction Fund.....	9,397,000
Schedule:	
(1) 60.01.035-Statewide: Budget Packages and Advanced Planning.....	250,000
(8) 60.56.015-Southern Reception Center and Clinic: Ventilation System Improvements—Preliminary plans and working drawings	104,000

Item	Amount
(9) 60.67.045-Youth Training School: Ventilation System Improve- ments: Construction.....	2,713,000
(10) 60.67.050-Youth Training School: Replace Living Unit Doors and Panels—Construction.....	2,830,000
(11) 60.90.010-Minor Projects.....	3,500,000
Provisions:	
1. The funds appropriated in Schedule (1) shall be allocated by the Department of the Youth Authority, upon approval of the Department of Finance, to develop design and cost information for new projects for which funds have not been previously appropriated, but for which preliminary plans funds, working drawing funds, or working drawing or construction funds are expected to be included in the 1995-96 or 1996-97 Governor's Budget, and for which cost estimates and/or preliminary plans can be developed prior to legislative hearings on the 1995-96 or 1996-97 Budget. These funds may be used for the following: budget package development, architectural programming, engineering assessments, schematic design, and preliminary plans. The amount appropriated in this item for these purposes shall not be construed as a commitment by the Legislature as to the amount of capital outlay funds it shall appropriate in any future year.	
5460-301-754—For capital outlay, Department of the Youth Authority, payable from the Public Safety Fund (1994).....	3,086,000
Schedule:	
(3) 60.02.055-Preston School of Indus- try: Upgrade Perimeter Security Fencing—Preliminary plans.....	75,000
(7) 60.52.070-El Paso De Robles School: Free Venture Work Space—Preliminary plans, work- ing drawings and construction....	394,000
(10) 60.56.015-Southern Reception Center and Clinic: Ventilation System Improvements—Con- struction.....	900,000

Item	Amount
(11) 60.56.020-Southern Reception Center and Clinic: Integrate Personal Alarm Systems—Preliminary plans	45,000
(12) 60.67.015-Youth Training School: Vocational Auto Body/Paint Shop—Construction	699,000
(13) 60.67.070-Youth Training School: Free Venture Work Space—Preliminary plans, working drawings and construction	973,000
5460-302-746—For capital outlay, Department of the Youth Authority, payable from the 1986 Prison Construction Fund.....	0
Schedule:	
(1) 60.54.065-Fred C. Nelles School: Personnel Building Replacement—Preliminary plans, working drawings, and construction ...	780,000
(2) Reimbursements.....	-780,000
Provisions:	
1. The Department of the Youth Authority may not expend bond funds pursuant to this item. This item is solely to allow the Department of the Youth Authority to receive and expend \$780,000 in reimbursements from the Disaster Response-Emergency Operations Account (375) for the project in category (1).	
5460-495—Reversion, Department of the Youth Authority. As of June 30, 1994, the unencumbered balance of the appropriation provided in the following citation shall revert to the fund balance of the fund from which the appropriation was made: 890—Federal Fund (FEMA)	
(1) Item 5460-302-890 (1), Budget Act of 1993, 60.54.065-Fred C. Nelles School: Personnel Building Replacement—Preliminary plans, working drawings, and construction.	

EDUCATION

6110-001-001—For support of Department of Education	28,895,000
Schedule:	
(a) 10-Instruction.....	39,078,000
(b) 20-Instructional Support	34,466,366
(c) 30-Special Programs.....	23,802,000

Item	Amount
(d) 41.00-Executive Management and Special Services.....	10,007,000
(e) 42.01-Department Management and Special Services.....	30,435,000
(f) 42.02-Distributed Department Management and Special Services.—	30,435,000
(ff) Unallocated reduction.....	—391,000
(g) Reimbursements.....	—10,493,000
(h) Amount payable from Federal Trust Fund (Item 6110-001-890)	—67,574,366

Provisions:

1. Of the funds appropriated in this item, an amount of not less than \$94,000 shall be available only for reimbursement of in-state travel expenses of the State Board of Education. No positions assigned to the State Department of Education, other than those positions that were assigned to the State Board of Education for the 1992–93 fiscal year, shall be administratively transferred, redirected, or otherwise assigned to the State Board of Education.
2. Notwithstanding Sections 33190 and 51219 of the Education Code, or any other provision of law, the State Department of Education shall expend no funds to prepare (a) a statewide summary of student performance on school district proficiency assessments or (b) a compilation of information on private schools with five or fewer students.
3. Of the amount appropriated in this item, \$74,000 shall be expended for staff in the department’s Program Evaluation and Research Division to (a) review and approve studies and program evaluations and (b) assist in contract management.
4. Of the funds appropriated in this item, \$150,000 is for the purpose of administering the Demonstration of Restructuring in Public Education authorized by Chapter 1556 of the Statutes of 1990.
5. Of the funds appropriated in Schedule (b) of this item, \$90,000 shall be available only for Educational Technology support services pursuant to Section 51874 of the Education Code and for the expenses incurred by members of the Edu-

Item	Amount
<p>cation Council for Technology in Learning in carrying out their duties.</p>	
<p>6. \$50,000 of the funds appropriated in this item are available, under oversight of the Legislative Analyst, for administration of an independent evaluation of education restructuring which addresses, to the extent permitted by available funding, those issues specified in Section 58920 of the Education Code. Up to \$1,000 of this amount may be transferred to, and expended by, the Office of the Legislative Analyst, and up to \$1,000 may be expended by the State Department of Education to pay for overhead costs associated with supervision of a contract with an evaluator.</p> <p style="padding-left: 2em;">In addition, the State Department of Education may secure and expend private funding for the expansion of the state-funded evaluation under the condition that these funds shall be subject to oversight by the Legislative Analyst, as specified in Provision 7.</p>	
<p>7. For the purposes of the school restructuring evaluation, the State Department of Education shall sign a contract with an independent evaluator under the oversight of the Legislative Analyst. The selection of the contractor shall be made pursuant to Section 58921 of the Education Code. The use, encumbrance, and payment of evaluation funds, from all sources, shall be made in strict accordance with the decisions of the Legislative Analyst, or his or her designee. In the review of proposals and in the awarding and review of any contract pursuant to Provision 6 of this item, the provisions of Division 2 (commencing with Section 1100) of the Public Contract Code and associated regulations shall not be applicable, and the provisions of Section 999, and following, of the Military and Veterans Code and associated regulations shall not be applicable. Any contract shall be awarded, however, through a competitive bidding process.</p>	
<p>8. Notwithstanding any other provision of law, of the funds appropriated in this item, \$1,000,000 shall be used to provide technical assistance and administrative support to the Healthy Start Program (Art. 1 (commencing with Sec. 8800), Ch. 5, Part 6, Title 1, Ed. C.).</p>	

Item	Amount
9. Of the funds appropriated in this item, \$300,000 and 2 positions shall be available only for planning and implementation of the focus schools program authorized by Chapter 6.1 (commencing with Section 52050) of Part 28 of the Education Code.	
10. Funds appropriated in this item may be expended or encumbered to make one or more payments under a personal services contract of a visiting educator pursuant to Section 19050.8 of the Government Code, a long-term special consultant services contract, or an employment contract between an entity that is not a state agency and a person who is under the direct or daily supervision of a state agency, only if all of the following conditions are met: <ul style="list-style-type: none"> (a) The person providing service under the contract provides full financial disclosure to the Fair Political Practices Commission in accordance with the rules and regulations of the commission. (b) The service provided under the contract does not result in the displacement of any represented civil service employee. (c) The rate of compensation for salary and health benefits for the person providing service under the contract does not exceed by more than 10 percent the current rate of compensation for salary and health benefits determined by the Department of Personnel Administration for civil service personnel in a comparable position. The payment of any other compensation or any reimbursement for travel or per diem expenses shall be in accordance with the State Administrative Manual and the rules and regulations of the State Board of Control. 	
13. Of the funds appropriated in this item, \$3,193,000 is for the purposes of a pupil testing program.	
15. Of the funds appropriated in this item, \$100,000 shall be available for expenditure as follows: <ul style="list-style-type: none"> (a) \$40,000 for the administration of a contract to improve the school crime report required by Section 628.2 of the Penal Code, and (b) \$60,000 for a study to determine the feasibility 	

Item	Amount
<p>of an automated data collection system for the school crime reports. The feasibility study shall include an estimate of the annual mandated costs that would be incurred for school crime reporting upon implementation of an automated system.</p> <p>16. Of the funds appropriated by this item, \$50,000 is for the purpose of completing a media guide for the dropout prevention film, "Cada Cabeza Es Un Mundo."</p>	
<p>6110-001-178—For support of the Department of Education, Program 20.30—Instructional Support, for the purpose of conducting schoolbus driver instructor training as provided in Section 40070 of the Education Code, payable from the Driver Training Penalty Assessment Fund.....</p>	943,000
<p>6110-001-344—For support of Department of Education, Program 20.30 Administrative Services to local educational agencies, payable from the State School Building Lease-Purchase Fund</p>	1,484,000
<p>Provisions:</p> <p>1. Funds appropriated by this item are for support of the activities of the School Facilities Planning Division and are to be used exclusively for activities related to local school construction, reconstruction, rehabilitation, modernization, maintenance, deferred maintenance, year-round school programs, and schoolsite acquisition.</p>	
<p>6110-001-687—For support of Department of Education, for the California State Agency for Donated Food Distribution, Program 30.50—Food Distribution, payable from the Donated Food Revolving Fund.....</p>	14,068,000
<p>6110-001-890—For support of Department of Education, for payment to Item 6110-001-001, payable from the Federal Trust Fund</p>	67,574,366
<p>Provisions:</p> <p>1. The funds appropriated in this item include 1994-95 Federal Vocational Education Act funds to be transferred to the community colleges by means of interagency agreements. These funds shall be used by the community colleges for the administration of vocational education programs.</p> <p>2. Of the funds appropriated in this item, \$52,000 is available to the Advisory Commission on Special</p>	

Item	Amount
Education for the in-state travel expenses of the commissioners and the secretary to the commission.	
3. Of the funds appropriated in this item, \$382,000 is available for programs for homeless youth and adults pursuant to the federal Stewart B. McKinney Act. The department shall participate on the Health and Welfare Agency Homeless Task Force and shall consult with the Departments of Economic Opportunity, Mental Health, Housing and Community Development, and Economic Development in operating this program.	
4. Of the funds appropriated in this item, up to \$364,000 shall be used to provide in-service training for special and regular educators and related persons, including, but not limited to, parents, administrators, and organizations serving severely disabled children. These funds are also to provide up to four positions for this purpose.	
6. Of the funds appropriated in this item, \$318,000 shall be used to provide training in culturally nonbiased assessment and specialized language skills to special education teachers through Second Language Immersion Institutes.	
8. The Department of Finance may transfer up to \$2,000,000 to this item from Item 6110-196-890 subsequent to the approval of a feasibility study report. Prior to the approval of a feasibility study report, no funds from this item shall be expended to automate the administrative functions of child care agencies contracting with the department. Funds may be expended from this item, as necessary, to develop a feasibility study report.	
9. Of the funds appropriated in this item, \$700,000 shall be allocated for the support of the state-wide Center for Applied Cultural Studies and Educational Achievement at San Francisco State University.	
10. Of the funds appropriated in this item, up to \$200,000 shall be available (a) for costs associated with the establishment and activities of the state panel required to develop the state plan for "Goals 2000; Educate America" and (b) to support one consultant position for the purpose of coordinating the "Goals 2000; Edu-	

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Amount

- cate America" program, subject to an expenditure plan to be provided to the Department of Finance prior to expenditure of these funds.
11. Of the funds appropriated by this item, \$390,000 shall be used to support the first-year costs of a three-year evaluation of the effectiveness of Adults in Correctional Facilities programs in California.
 - (a) The State Department of Education shall contract with an appropriate entity for this evaluation. The evaluation shall measure the impact of education services in at least three counties on inmate educational achievement, employment and earnings, and jail recidivism.
 - (b) The evaluation shall compare the experience of inmates receiving educational services with similar inmates who do not receive those services. The department and the contracting agency shall explore the feasibility of randomly assigning individuals who desire educational services to the test and control groups. It is the intent of the Legislature that, if feasible, the evaluation shall use random assignment as the method of establishing a control group.
 - (c) The department shall submit a progress report to the budget and policy committees of the Legislature and to the Legislative Analyst's office by April 1, 1995.
 12. Of the funds appropriated by this item, \$150,000 shall be allocated to conduct statewide outreach and technical assistance for local educational agencies for the purpose of enrolling new sites in the school breakfast program. The department shall provide funds from the federal Nutrition Education and Training Grant program for the purposes specified in this provision, to the extent that federal regulations permit the use of these grant funds for these purposes. If federal regulations do not permit the use of Nutrition Education and Training Grant funds for these purposes, the department shall allocate other federal funds included in this item for the purposes of this provision.

Item	Amount
6110-001-975—For support of Department of Education, payable from the California Public School Library Protection Fund.....	25,000
Provisions:	
1. Subject to the conditions of Article 6 (commencing with Section 18175) of Chapter 2 of Part 6 of the Education Code, and based on increases in the funds deposited in the California Public School Library Protection Fund, Item 6110-001-975 may be increased subject to the approval of the Department of Finance.	
6110-005-001—For support of Department of Education, as allocated by the Department of Education to the State Special Schools, Program 10.60.040	21,597,000
Schedule:	
(a) 10.60.040-Instruction.....	21,944,000
(1) 10.60.040.001-School for the Blind, Fremont	3,456,000
(2) 10.60.040.002-School for the Deaf, Fremont.....	9,526,000
(3) 10.60.040.003-School for the Deaf, Riverside	8,962,000
(b) Reimbursements.....	-347,000
Provisions:	
1. Of the amount appropriated in this item, \$362,000 shall be available for the assessment centers at the State Special Schools.	
2. Of the amount appropriated in this item, \$358,000 shall be used for the provision of a four-week extended session in the State Special Schools for the Deaf in Fremont and Riverside and the State Special School for the Blind in Fremont.	
3. Of the amount appropriated in this item, \$13,000 is provided for payment of energy service contracts in connection with the issuance of Energy Conservation Efficiency Revenue Bonds.	
6110-006-001—For support of Department of Education (Proposition 98), as allocated by the Department of Education to the State Special Schools....	24,791,000
Schedule:	
(a) 10.60.040-Instruction, State Special Schools	29,086,000

Item	Amount
(1) 10.60.040.001-School for the Blind, Fremont....	3,517,000
(2) 10.60.040.002-School for the Deaf, Fremont.....	9,488,000
(3) 10.60.040.003-School for the Deaf, Riverside....	8,709,000
(4) 10.60.040.004-Diagnostic Center for the Neurologically Handicapped, North.....	2,329,000
(5) 10.60.040.005-Diagnostic Center for the Neurologically Handicapped, South.....	2,922,000
(6) 10.60.040.006-Diagnostic Center for the Neurologically Handicapped, Central.....	2,121,000
(b) Reimbursements.....	-4,186,000
(c) Amount payable from the Lottery Education Fund (Item 6110-006-814)	-109,000

Provisions:

1. On or before January 15 of each year, the superintendent of each State Special School shall report to each district the number of pupils from that district who are attending a State Special School and the estimated payment due on behalf of the district for those pupils pursuant to Section 59300 of the Education Code. The Controller shall withhold from the State School Fund in the first principal apportionment of that fiscal year the amount due from each school district, as reported to the Controller by the Superintendent of Public Instruction. The amount withheld shall be transferred from the State School Fund to this item which supports the State Special Schools. The Superintendent of Public Instruction is authorized to adjust the estimated payments required after the close of the

Item	Amount
<p>fiscal year by reporting to the Controller the information needed to make the adjustment.</p> <p>2. Of the funds appropriated in this item, \$552,000 shall be used for the provision of a four-week extended session in the State Special Schools for the Deaf in Fremont and Riverside and the State Special School for the Blind in Fremont.</p>	
<p>6110-006-814—For support of Department of Education, for payment to Item 6110-006-001, payable from the Lottery Education Fund</p>	109,000
<p>Provisions:</p> <p>1. All funds received pursuant to Proposition 37 that are allocable to the State Special Schools pursuant to Section 8880.5 of the Government Code, and that are in excess of the amount appropriated in this item, are hereby appropriated in augmentation of this item.</p>	
<p>6110-008-001—For support of Department of Education, as allocated by the Department of Education to the State Special Schools for student transportation allowances, Program 10.60.040</p>	445,000
<p>Provisions:</p> <p>1. Funds appropriated in this item are in lieu of funds which would otherwise be transferred from the General Fund to Section A of the State School Fund in accordance with Sections 14007 and 41301.5 of the Education Code.</p>	
<p>6110-015-001—For support of Department of Education, Program 20.20.020—Instructional Materials Management and Distribution</p>	364,000
<p>Provisions:</p> <p>1. Funds appropriated by this item are for transfer by the Controller, to the State Instructional Materials Fund, for allocation during the 1994-95 fiscal year, pursuant to Article 3 (commencing with Section 60240) of Chapter 2 of Part 33 of the Education Code. These funds shall be transferred to the State Instructional Materials Fund by the Controller in amounts claimed by the Department of Education.</p> <p>2. Funds appropriated by this item for the Instructional Materials Management and Distribution Program shall be transferred for direct disbursement by the Department of Education from the State Instructional Materials Fund.</p>	

Item	Amount
6110-021-001—For support, Department of Education, Program 30.20—Child Nutrition—Nutrition Education Projects	609,000
6110-101-814—For local assistance, Department of Education, Program 10.10, for allocation by the State Controller in accordance with the provisions of Government Code Section 8880.5, as enacted by the voters in Proposition 37 at the November 1984 general election, payable from the California State Lottery Education Fund.....	540,526,000
Provisions:	
1. All funds received pursuant to Proposition 37 that are allocable to K–12 local education agencies pursuant to Section 8880.5 of the Government Code, and that are in excess of the amount appropriated in this item, are hereby appropriated in augmentation of this item.	
6110-101-890—For local assistance, Department of Education, Federal Block Grant under Chapter 2 of the Elementary and Secondary Education Act, payable from the Federal Trust Fund	35,380,000
Schedule:	
(a) 10-Instruction.....	33,862,000
(b) 20-Instructional support.....	1,518,000
Provisions:	
1. Of the funds appropriated by this item, \$250,000 shall be allocated as a grant by the Superintendent of Public Instruction to a private, nonprofit foundation for the purpose of conducting a program on youth and the administration of justice in at least 150 school districts. These funds shall be allocated in four equal installments during the 1994–95 fiscal year on September 1, December 1, February 1, and May 1.	
6110-101-975—For local assistance, Department of Education, payable from the California Public School Library Protection Fund.....	440,000
Provisions:	
1. Subject to the conditions of Article 6 (commencing with Section 18175) of Chapter 2 of Part 6 of the Education Code, and based on increases in the funds deposited in the California Public School Library Protection Fund, Item 6110-101-975 may be increased subject to the approval of the Department of Finance.	

Item	Amount
6110-103-001—For local assistance, Department of Education (Proposition 98), Program 10.10.001.005—School Apportionments for transfer to Section A of the State School Fund, for the purposes of Section 8152 of the Education Code.....	8,346,000
Provisions:	
1. Notwithstanding Section 8154 of the Education Code, or any other provision of law, the funds appropriated in this item shall be the only funds available for and allocated by the Superintendent of Public Instruction for the apprentice programs operated by school districts and county offices of education.	
2. Notwithstanding Section 8152 of the Education Code, each 60-minute hour of teaching time devoted to each indentured apprentice enrolled in and attending classes of related and supplemental instruction as provided under Section 3074 of the Labor Code shall be reimbursed at the rate of \$4.11 per hour. For purposes of this provision, each hour of teaching time may include up to 10 minutes for passing time and breaks.	
3. No school district or county office of education shall use funds allocated from this item to offer any new or expanded apprentice program unless the program has been approved by the Superintendent of Public Instruction.	
4. The Superintendent of Public Instruction shall report to the Department of Finance and the Legislature not later than October 1, 1994, on the amount of funds expended for and the hours of related and supplemental instruction offered in the apprentice program during the 1993–94 fiscal year, with information to be provided by school district, county office of education, program sponsor, and trade. Expenditure information shall distinguish between direct and indirect costs, including administrative costs funded for the Department of Education, school districts, and county offices of education. In addition, the report shall identify the hours of related and supplemental instruction proposed for the 1994–95 and 1995–96 fiscal years by school district, county office of education, program sponsor, and trade. As a condition of receiving funds for the apprenticeship program, K–12 school districts and county offices of education	

Item	Amount
shall report to the Superintendent of Public Instruction the information necessary for the completion of this report.	
5. Notwithstanding Article 8 (commencing with Section 8150) of Chapter 1 of Part 6 of the Education Code, or any other provision of law, the total number of hours eligible for state reimbursement in apprentice programs operated by K-12 school districts and county offices of education shall be limited to an amount equal to the total appropriation specified in this item divided by the hourly rate specified in Provision 2. The Superintendent of Public Instruction shall have the authority to determine which apprentice programs, and which hours offered in those programs, are eligible for reimbursement.	
6110-104-001—For local assistance, Department of Education (Proposition 98), Program 10.10.011—School Apportionments, for transfer to Section A of the State School Fund, for summer school programs pursuant to Section 42239 of the Education Code.....	136,925,000
Schedule:	
(a) Program 10.10.011.003-School apportionments, for remedial summer school programs, for the purposes of Section 42239 of the Education Code	47,528,000
(b) Program 10.10.011.004-School apportionments, for core academic summer school programs, for the purposes of Section 42239 of the Education Code	89,397,000
Provisions:	
1. Notwithstanding paragraph (1) of subdivision (e) of Section 42239 of the Education Code, or any other provision of law, for the 1994-95 fiscal year a school district's maximum entitlement for pupil attendance in summer school programs offered pursuant to paragraph (2) of subdivision (d) of Section 42239 of the Education Code shall be an amount equal to 7 percent of the district's enrollment for the prior year, times 120 hours, times the hourly rate for the 1994-95 fiscal year determined pursuant to Provision 5.	
2. As a condition of receiving funds pursuant to Provision 1, the county superintendent of	

Item	Amount
<p>schools shall report to the Superintendent of Public Instruction, on or before November 15, 1994, the number of pupils who attended each class and the number and type of classes conducted.</p>	
<p>3. Notwithstanding subdivision (e) of Section 42239 of the Education Code, for the 1994-95 fiscal year the Superintendent of Public Instruction shall allocate a minimum of \$5,974 for supplemental summer school programs in each school district for which the prior fiscal year enrollment was less than 500 and that, in the 1994-95 fiscal year, offers at least 1,500 hours of supplemental summer school instruction. A small school district, as described above, that offers less than 1,500 hours of supplemental summer school offerings shall receive a proportionate reduction in its allocation. For the purpose of this provision, supplemental summer school programs shall be defined as programs authorized under paragraph (2) of subdivision (d) of Section 42239 of the Education Code.</p>	
<p>4. Notwithstanding paragraph (1) of subdivision (e) of Section 42239 of the Education Code, or any other provision of law, the Superintendent of Public Instruction shall reallocate to any school district any unexpended balance of the appropriations made for the 1994-95 fiscal year for reimbursement for actual pupil attendance in summer school programs authorized under paragraph (2) of subdivision (d) of Section 42239 of the Education Code. In no event shall any district receive reimbursement for pupil attendance in summer school programs in excess of 10 percent of the district's enrollment for the prior year, multiplied by 120 hours, multiplied by the hourly rate for the 1994-95 fiscal year determined pursuant to Provision 5.</p>	
<p>5. For the 1994-95 fiscal year, allocations for summer school attendance shall be based on hourly rates calculated pursuant to subdivisions (a) and (c) of Section 42239 of the Education Code, reduced by the deficit factor described in Section 42238.145 of the Education Code.</p>	
<p>6110-106-001—For local assistance, County Offices of Education, for transfer to Section A of the State School Fund.....</p>	<p>900,000</p>

Item	Amount
Provisions:	
1. Notwithstanding any other provision of law, the revenue limit per unit of average daily attendance calculated pursuant to paragraph (2) of subdivision (c) of Education Code Section 2550 shall be increased by \$3.00 for the Superintendent of Schools of San Bernardino County.	
6110-107-001—For local assistance, Department of Education (Proposition 98), Program 10.10—County Offices of Education Fiscal Oversight.....	2,750,000
Provisions:	
1. Of the funds appropriated in this item, \$1,000,000 is for the purposes provided in paragraph (1) of subdivision (a) of Section 29 of Chapter 1213 of the Statutes of 1991.	
2. Of the funds appropriated in this item, \$750,000 is for allocation to a selected county office of education to meet the costs of participation under Section 42127.8 of the Education Code.	
3. Of the funds appropriated in this item, \$500,000 is for the increased responsibility of county offices of education for oversight of districts with qualified or negative interim reports, districts which may be unable to meet financial obligations for the current or subsequent two years, or districts with disapproved budgets, as provided in Chapter 924, Statutes of 1993. Allocation of such funds shall be administered by the Fiscal Crisis and Management Assistance Team (FCMAT) on a reimbursement basis and all reimbursements shall be subject to the approval of both the Department of Finance and the Department of Education.	
4. Of the funds appropriated in this item, \$500,000 is for the purpose of staff development of local education agency school finance and business personnel. Allocations for this purpose shall be administered by the FCMAT. Allocations, staff development course content and instructors shall be subject to the approval of the Department of Education. Such approval is not intended to preclude the Department of Education from providing instruction to local education agencies in this area.	
5. The funds appropriated in this item shall be allocated in accordance with the provisions specified above, unless a revision to the allocations	

Item	Amount
<p>contained herein has been approved by the Department of Finance. The Department of Finance may not authorize any such revision sooner than 30 days after notification in writing of the necessity therefor to the chairperson of the committee in each house which considers appropriations and the Chairperson of the Joint Legislative Budget Committee, or not sooner than whatever lesser time the chairperson of the joint committee, or his or her designee, may in each instance determine.</p>	
<p>6110-113-001—For local assistance, Department of Education (Proposition 98), for purposes of a pupil testing program</p>	30,504,000
<p>Provisions:</p>	
<p>1. The funds appropriated in this item shall be for the purposes of Article 1 (commencing with Section 60600) and Article 8 (commencing with Section 60700) of Chapter 5 of Part 33 of the Education Code.</p>	
<p>2. The Superintendent of Public Instruction shall allocate the 1994-95 budget increase of \$8,000,000 to augment pupil testing programs in accordance with the allocation plan shown below. To revise any allocations, the Superintendent of Public Instruction shall first receive the approval of the Department of Finance. Approval of the Department of Finance may not be effective sooner than 30 days after notification to the Chair of the Joint Legislative Budget Committee.</p>	
<p>a. \$1,142,000 for the Golden State Examination Program pursuant to Section 60701.</p>	
<p>b. \$500,000 for development of end-of-course examinations in vocational education pursuant to Sections 60602.5 (a) (4) and 60604.8.</p>	
<p>c. \$500,000 for review and approval of other pupil tests pursuant to Section 60602.5(d).</p>	
<p>d. \$5,458,000 for expansion in the 1994-95 fiscal year of the statewide California Comprehensive Testing Program (CCTP), pursuant to the 1994-95 expenditure plan in the document "CCTP—Long-Term Implementation," to include valid, reliable individual pupil scores in reading, writing, and mathematics in grades 4 and 8; valid, reliable school-level scores in history/social sciences</p>	

Item	Amount
<p>and science in grade 5, and in reading, writing, and mathematics in grade 10; and field testing in history/social sciences and science in grades 8 and 10.</p> <p>e. \$400,000 for continued development of CCTP Spanish language exams.</p>	
<p>6110-115-001—For local assistance, Department of Education, (Proposition 98) for transfer by executive order of the Director of Finance to the Controller, for reimbursement of claims received pursuant to Sections 42247 and 42249 of the Education Code, (voluntary desegregation) Program 10.10.019—School Apportionments.....</p>	1,459,000
<p>Schedule:</p>	
<p>(a) 10.10.019—Instruction: School Apportionments-voluntary desegregation-Monrovia Unified School District for 1991-92 costs.....</p>	178,000
<p>(b) 10.10.019—Instruction: School Apportionments-voluntary desegregation-Monrovia Unified School District for 1992-93 costs</p>	161,000
<p>(c) 10.10.019—Instruction: School Apportionments-voluntary desegregation-Monrovia Unified School District for 1994-95 costs.....</p>	178,000
<p>(d) 10.10.019—Instruction: School Apportionments-voluntary desegregation-Solana Beach Elementary School District for 1993-94 costs..</p>	471,000
<p>(e) 10.10.019—Instruction: School Apportionments-voluntary desegregation-Solana Beach Elementary School District for 1994-95 costs ..</p>	471,000
<p>Provisions:</p>	
<p>1. Funds appropriated by this item are for reimbursement of amounts necessary to pay the costs of desegregation programs, as defined in Section 42249 of the Education Code, initiated voluntarily by local education agencies and for the costs of audits as required by Provision 2 of this item.</p>	
<p>2. Before submittal to the Controller for payment, school districts shall subject their past year actual claims to audit, in accordance with standards utilized by the Controller in prior years for the audit of past year actual desegregation claims, to ensure that the claims comply with</p>	

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<p>the requirements of Sections 42247, 42247.1, 42248, 42249 and 42249.2 of the Education Code. School districts may contract with the Controller for the performance of such audits. All past year actual claims submitted to the Controller for payment shall be accompanied by any reports issued by the auditing entity, unless the auditing entity was the Controller.</p> <ol style="list-style-type: none"> 3. The Controller shall only reimburse those past year actual claims that conform with the requirements of Provision 2 contained in this item. 4. The Controller shall allocate funds appropriated in this item in accordance with Section 42247 of the Education Code. The Controller shall reimburse these claims only from funds appropriated specifically for that purpose by the Legislature. 5. The Controller shall allocate funds appropriated in this item in accordance with the schedule contained herein, unless a revision of that schedule has been approved by the Department of Finance. 6. The Department of Finance may not authorize any revisions to the schedule contained herein sooner than 30 days after notification in writing of the necessity therefor to the chairperson of the committee in each house that considers appropriations and the Chairperson of the Joint Legislative Budget Committee, or not sooner than whatever lesser time the chairperson of the joint committee, or his or her designee, may in each instance determine. 7. Funds appropriated in this item shall not be used to reimburse local education agency claims for facilities lease costs, school construction, reconstruction, replacement of facilities, purchase of existing facilities, purchase of land, or the performance of deferred maintenance activities on facilities. 8. Effective July 1, 1991, and notwithstanding any other provision of law to the contrary, no school district shall be required to comply with Sections 90 to 101, inclusive, of Title 5 of the California Code of Regulations. Any costs incurred after that date in compliance with those regulations shall be deemed incurred voluntarily and shall not be reimbursable as a state-mandated local program. Nothing in this provision shall be 	

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<p>interpreted to deny reimbursement of claims for court-ordered or voluntary desegregation pursuant to Sections 42243.6, 42247, and 42249 of the Education Code.</p>	
<p>6110-117-001—For local assistance, State Department of Education, Program 10.70—Vocational Education, in lieu of the amount which would otherwise be appropriated pursuant to subdivision (b) of Section 19632 of the Business and Professions Code...</p>	360,000
<p>6110-121-001—For local assistance, Department of Education (Proposition 98), Program 10.20.070—Economic Impact Aid.....</p>	29,850,000
<p>Schedule:</p>	
<p>(a) For allocation pursuant to Article 2 (commencing with Section 54020) of Chapter 1 of Part 29 of the Education Code.....</p>	20,895,000
<p>(b) For allocation pursuant to Article 4 (commencing with Section 54040) of Chapter 1 of Part 29 of, and Sections 54031 and 54033 of, the Education Code.....</p>	8,955,000
<p>Provisions:</p>	
<p>1. The funds appropriated by this item are for transfer by the Controller to Section A of the State School Fund for direct disbursement by the State Department of Education for the purposes of the Economic Impact Aid Program pursuant to Chapter 1 (commencing with Section 54000) of Part 29 of the Education Code.</p>	
<p>6110-123-001—For local assistance, Department of Education (Proposition 98), for purposes of the Focus Schools program</p>	500,000
<p>Provisions:</p>	
<p>1. The funds appropriated in this item shall be available only for the focus schools program established pursuant to Chapter 6.1 (commencing with Section 52050) of Part 28 of the Education Code.</p>	
<p>6110-128-890—For local assistance, Department of Education, payable from the Federal Trust Fund.....</p>	20,289,000
<p>Schedule:</p>	
<p>(a) 20.10.015.010-Math/Science Program Teacher Training Grants ...</p>	19,989,000
<p>(b) 20.60.015.000-Middle School Mathematics Renaissance Program</p>	300,000

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6110-129-001—For local assistance, Department of Education, Program 41.00—Community Education-Intergenerational Programs	45,000
6110-136-890—For local assistance, Department of Education, payable from the Federal Trust Fund	661,835,000
Schedule:	
(a) Program 10.30.060—Chapter I-ECIA	659,690,000
(b) Program 10.30.065—Stewart B. McKinney Homeless Children Education.....	2,145,000
6110-141-890—For local assistance, Department of Education, ECIA Chapter I-Migrant Education, payable from the Federal Trust Fund, Program 10.30.010-Instruction.....	107,448,000
6110-152-001—For local assistance, Department of Education, Program 10.30.050.....	376,000
Provisions:	
1. Funds appropriated by this item for Indian Education Centers are to carry out the provisions of Article 6 (commencing with Section 33380) of Chapter 3 of Part 20 of the Education Code.	
2. Of the funds appropriated in this item, \$10,000 shall be used to fund program growth.	
6110-153-001—For local assistance, Department of Education (Proposition 98), Program 10.30.050—Indian Education Centers	750,000
Provisions:	
1. Of the funds appropriated in this item, \$500,000 shall be used to augment existing programs, \$150,000 shall be used to provide new programs, and \$100,000 shall be used for administrative costs.	
6110-156-890—For local assistance, Department of Education, Program 10.50.010.001—Adult Education, payable from the Federal Trust Fund	25,681,000
Provisions:	
1. Of the funds appropriated by this item, and as a condition of this appropriation, \$7,669,000 shall be used for adult basic education for citizenship and naturalization services for legal permanent residents who are eligible for naturalization.	
Citizenship and naturalization services shall include, for this purpose, to the extent consistent with applicable federal law, all of the following: (a) outreach services; (b) assessment of skills; (c) instruction and curriculum develop-	

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<p>ment; (d) staff development; (e) citizenship testing; (f) naturalization preparation and assistance; and (g) regional and state coordination and program evaluation. The providers of the citizenship and naturalization services, for purposes of this provision, shall be those community-based organizations, community colleges, and adult education programs approved for this purpose by the State Department of Education and the federal Immigration and Naturalization Service.</p>	
<p>6110-158-001—For local assistance, Department of Education, (Proposition 98), for transfer to Section A of the State School Fund in lieu of the amount which would otherwise be appropriated pursuant to Section 41841.5 of the Education Code, Program 10.50.010.002—Adults in Correctional Facilities.....</p>	2,121,000
<p>Provisions:</p> <ol style="list-style-type: none"> 1. Notwithstanding any other provision of law to the contrary, the amount appropriated in this item and any amount allocated for this program in this act shall be the maximum amount allocated for the purposes of Section 41841.5 of the Education Code. 2. Notwithstanding Section 41841.5 of the Education Code or any other provision of law to the contrary, the amount appropriated in this item shall be allocated based upon prior rather than current year expenditures. 3. Notwithstanding Section 41206 of the Education Code or any other provision of law, the amount appropriated in this item is for payment of 1992–93 deficiency expenditures for the Adults in Correctional Facilities program and shall be applied as an appropriation toward satisfying the 1994–95 Proposition 98 funding guarantee. 	
<p>6110-160-001—For local assistance, Department of Education, Program 10.60—Special Education Programs for Exceptional Children.....</p>	206,000
<p>Provisions:</p> <ol style="list-style-type: none"> 1. Funds appropriated in this item shall be available for matching funds with the Department of Rehabilitation to provide coordinated services to disabled pupils. 	
<p>6110-161-001—For local assistance, Department of Education (Proposition 98), Program 10.60—Special Education Programs for Exceptional Children</p>	1,623,811,000

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Schedule:

- (a) 10.60.050-Special education instruction..... 1,607,960,000
- (b) 10.60.050-Special education program for exceptional children—prior year deficiencies..... 15,851,000

Provisions:

1. Funds appropriated by this item are for transfer by the Controller to Section A of the State School Fund, in lieu of the amount that otherwise would be appropriated for transfer from the General Fund in the State Treasury to Section A of the State School Fund for the 1994–95 fiscal year pursuant to Sections 14002 and 41301 of the Education Code, for apportionment pursuant to Part 30 (commencing with Section 56000) of the Education Code, superseding all prior law.

2. Of the amount appropriated in this item, \$53,447,000 shall be available for program growth pursuant to Section 56728.6 of the Education Code. The funds allocated pursuant to this provision shall be the only funds available in this item for program growth for ages 3 to 21 years, inclusive.

These funds shall be allocated to fully fund calculated growth units for special education programs serving pupils ages 3 to 21 years, inclusive, excluding pupils ages 3 and 4 years not requiring intensive services, based on each special education local plan area’s (SELPA) pupil count data and an average number of pupils per unit of:

- (a) For special day classes and centers—10.
- (b) For resource specialist programs—24.
- (c) For designated instructional services—24.

For the purposes of allocating special day class and center (SDC) growth units, a revenue limit offset shall be calculated for the unfunded 1993–94 P-2 SDC average daily attendance for those local educational agencies that are scheduled to receive SDC growth units. In no case shall the offset exceed 8 pupils per SDC growth unit. All other SDC growth units shall be allocated using no revenue limit offset.

3. The number of units to be recaptured shall be calculated pursuant to Section 56728.6 of the Ed-

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<p>ucation Code. Within each SELPA, to maximize the use of existing units, the units available for recapture shall be shifted to any instructional setting that is eligible for growth pursuant to Provision 2. After maximizing the existing units, growth shall be calculated pursuant to the standards in Provision 2. Waivers of the subcaps (Section 56728.6 of the Education Code) may be approved only if compliance would prevent the provision of a free, appropriate public education.</p>	
<p>4. Of the amount specified in Provision 2, \$500,000 shall be available only for units approved by waiver for SELPAs with small or sparse populations as identified under Article 1.5 (commencing with Section 56210) of Chapter 3 of Part 30 of the Education Code. Waivers for sparsity may be approved only after previous waivers have been reviewed to determine that those units were utilized in sparsely populated areas of the SELPA, that additional units are necessary for these areas, and that severe hardship would occur without additional units for this purpose.</p>	
<p>5. Of the amount appropriated in this item, \$759,000 shall be available for infant program growth units (ages birth–2 years). Funds for infant units shall be allocated with the following average number of pupils per unit:</p> <ul style="list-style-type: none"> (a) For special classes and centers—16. (b) For resource specialist programs—24. (c) For designated instructional services—16. 	
<p>6. Of the amount appropriated in this item, no more than \$344,000 shall be available for the purposes of Section 56775.5 of the Education Code.</p>	
<p>7. Of the funds appropriated in this item, \$8,030,000 shall be available for the purchase, repair, and inventory maintenance of specialized books, materials, and equipment for pupils with low-incidence disabilities, as defined in Section 56026.5 of the Education Code.</p>	
<p>8. Of the funds appropriated in this item, \$4,106,000 shall be available for the purposes of Public Law 101-392, and for vocational training and job placement for special education pupils through Project Workability I pursuant to Article 3 (commencing with Section 56470) of Chap-</p>	

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<p>ter 4.5 of Part 30 of the Education Code. As a condition of receiving these funds, each agency shall certify that the amount of nonfederal resources, exclusive of funds received pursuant to this provision, devoted to the provision of vocational education for special education pupils shall be maintained at or above the level provided in the 1984–85 fiscal year. The Superintendent of Public Instruction may waive this requirement for agencies that can demonstrate that the requirement would impose a severe hardship.</p>	
<p>9. Of the funds appropriated in this item, \$2,712,000 shall be available for regional occupational centers and programs that serve pupils having disabilities, \$108,870,000 shall be available for extended year programs, \$52,263,000 shall be available for regionalized program specialist services, and \$5,061,000 shall be available for county office of education longer day and year programs.</p>	
<p>10. Except for instructional personnel services units serving infants, the county office of education or school district reporting instructional personnel services units for funding shall be the agency that employs the personnel staffing the units, unless the combined unit rate and support services ratio of a nonemploying agency is equal to or lesser than that of the employing agency and both agencies agree that the nonemploying agency shall report the units for funding. This provision also shall apply to the funds that are appropriated in Item 6110-230-001 for the purpose of funding special education programs.</p>	
<p>12. Of the funds appropriated in Schedule (b), \$15,851,000 shall be transferred to Section A of the State School Fund and made available for the purposes of paying the deficiency in the special education program for the 1993–94 fiscal year. Notwithstanding Section 41206 of the Education Code, or any other provision of law, the appropriation described in this provision shall apply to the state school funding obligation, as determined under subdivision (b) of Section 8 of Article XVI of the California Constitution, for the 1994–95 fiscal year.</p>	

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<p>13. During the 1994–95 fiscal year, the State Board of Education shall not approve any waiver of Section 56364.1 of the Education Code relating to the full inclusion of pupils with low incidence disabilities. This restriction does not prohibit the State Board of Education from approving any waiver of Section 56364 of the Education Code relating to full inclusion during the 1994–95 fiscal year.</p>	
<p>14. (a) Notwithstanding Chapter 7 (commencing with Section 56700) of Part 30 of the Education Code, or any other provision of law, the amount available under this item for apportionment for the 1994–95 fiscal year to any school district, county office of education, or special education local plan area that aggregates the special education entitlements of all of its constituents, for the purpose of the costs of placement of individuals with exceptional needs in nonpublic, nonsectarian schools or agencies and licensed children’s institutions, except for the costs reimbursed at 100 percent for the placement of individuals with exceptional needs who reside in licensed children’s institutions, shall be the lesser of the product of the amount computed under Section 56740 of the Education Code for the second principal apportionment of the 1993–94 fiscal year multiplied by 1.03615 or the amount computed under Section 56740 of the Education Code for the 1994–95 fiscal year.</p> <p>(b) Any school district or county office of education that, in the 1993–94 fiscal year, was apportioned \$70,000 or less to fund the costs of placement of individuals with exceptional needs in nonpublic school, nonsectarian schools or agencies may apply to the State Board of Education for a waiver of subdivision (a) of this provision if, because of the placement of one or more pupils in a nonpublic, nonsectarian school or agency pursuant to the individualized education plan for the pupil or pupils, the school district or county office of education incurs costs for those purposes in the</p>	

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- 1994–95 fiscal year that are equal to or greater than 130 percent of the amount apportioned to the school district or county office of education for those purposes in the 1993–94 fiscal year.
- (c) For the 1994–95 fiscal year, if (1) any nonpublic, nonsectarian school or agency increases the rates it charges to school districts and county offices of education to provide services to pupils with exceptional needs beyond the rates charged for those services in the 1993–94 fiscal year, (2) any school district or county office of education had pupils served by that nonpublic, nonsectarian school or agency in the 1993–94 fiscal year and planned to place pupils with that same nonpublic, nonsectarian school or agency in the 1994–95 fiscal year, and (3) that school district or county office of education deems that the rate increase is not justified, then the school district or county office of education shall inform the Superintendent of Public Instruction of the rate increase and the Superintendent of Public Instruction shall deem that nonpublic, nonsectarian school or agency to be not in compliance with Section 56366 of the Education Code, and shall decertify that school or agency pursuant to that section. The superintendent shall not apportion funds pursuant to this provision for the purpose of reimbursing any nonpublic, nonsectarian school or agency that is decertified. Within 15 days after receiving notification that it is not in compliance with Section 56366 of the Education Code, a nonpublic, nonsectarian school or agency may either provide evidence to the superintendent demonstrating, to the superintendent's satisfaction, that it is in compliance with that section, in which case it shall not be decertified, or request a waiver of this subdivision from the State Board of Education. Nothing in this provision shall be interpreted to supersede Section 56743 of the Education Code; accordingly, if a school district or county of-

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<p>office of education decides that the rate increase of a nonpublic, nonsectarian school or agency for the 1994-95 fiscal year is justified, and decides to pay the additional amount rather than report the rate increase to the Superintendent of Public Instruction, the Superintendent of Public Instruction shall not apportion additional funds to that school district of county office of education to pay that portion of a claim related to the increase in the rate.</p> <p>(d) The State Department of Education shall undertake to ensure that all local educational agencies report the costs of placement of individuals with exceptional needs in nonpublic, nonsectarian schools and agencies in a consistent manner.</p>	
<p>6110-161-890—For local assistance, Department of Education, payable from the Federal Trust Fund, Program 10.60—Special Education Programs for Exceptional Children.....</p>	246,436,000
Schedule:	
(a) 10.60.030-IDEA, Title VIC, Deaf-Blind Center	872,000
(b) 10.60.050.010-local entitlements, IDEA special education	175,839,000
(c) 10.60.050.015-IDEA, local entitlements, Preschool Program	18,338,000
(d) 10.60.050.020-IDEA, direct and indirect instructional services approved in the State Plan	11,466,000
(e) 10.60.050.030-PL 99-457, Preschool Grant Program.....	36,000,000
(f) 10.60.050.040-IDEA, Title VID, Handicapped Personnel Preparation Grants.....	657,000
(g) 10.60.050.070-IDEA, Title VIC, Least Restrictive Environment ...	264,000
(h) 10.60.050.075—Juvenile Court Schools	3,000,000
Provisions:	
1. If the funds for Part B of the Individuals with Disabilities Education Act that are actually received by the state exceed \$219,268,000, at least 95 percent of the funds received in excess of that amount shall be allocated for local entitlements. Five percent of the amount received in excess of	

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<p>\$219,268,000 may be used for state administrative expenses.</p> <p>If the funds for Part B of the Individuals with Disabilities Education Act that are actually received by the state are below \$219,268,000, the reduction shall be taken in direct and indirect instructional services.</p>	
<p>2. Of the funds appropriated in Schedule (d) of this item, up to \$1,000,000 may be used to fund licensed children's institution growth units pursuant to Section 56776 of the Education Code. These funds are to be used for instructional units only.</p>	
<p>3. Of the funds appropriated in Schedule (d) of this item, up to \$2,324,000 may be used to provide funding for infant programs, and may be used for those programs that do not qualify for funding pursuant to Section 56728.8 of the Education Code.</p>	
<p>4. Of the funds appropriated in Schedule (d) of this item, \$2,425,000 shall be allocated to local education agencies for the purposes of Project Workability I.</p>	
<p>5. Of the funds appropriated in Schedule (d) of this item, \$1,700,000 shall be used to provide specialized services to pupils with low-incidence disabilities, as defined in Section 56026.5 of the Education Code.</p>	
<p>6. Of the funds appropriated in Schedule (d) of this item, \$3,617,000 shall be used for a personnel development program. This program will include state-sponsored staff development, local in-service components, bilingual, student study team, and core curriculum components. Of this amount, a minimum of \$2,500,000 shall be allocated directly to special education local plan areas. The local in-service programs shall include a parent training component. All programs are to include evaluation components.</p>	
<p>7. Of the funds appropriated in this item for the Preschool Grant Program, \$1,228,000 shall be used for in-service training programs. This program shall include state-sponsored and local components.</p>	
<p>8. Of the funds appropriated in Schedule (d) of this item, \$200,000 shall be used for research and training in cross-cultural assessments.</p>	

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9. Of the funds appropriated in Schedule (d) of this item, \$200,000 shall be used for pilot programs to regionalize services for pupils with low-incidence disabilities.	
10. The funds appropriated in Schedule (h) of this item may be used to augment instructional units for the special education programs in juvenile court schools to cover the required number of days of instruction.	
11. The State Department of Education shall develop a proposal to ensure that preschool program expenditures do not exceed the amount of funding available in Schedule (e) of this item, and, no later than January 1, 1995, shall submit to the Joint Legislative Budget Committee a report describing that proposal.	
6110-165-001—For local assistance, Department of Education.....	8,912,000
Schedule:	
(a) 10.70—Vocational Education.....	30,168,000
(b) Reimbursements.....	—21,256,000
Provisions:	
1. \$25,112,000 of the funds appropriated in this item are for the purpose of the federal Job Training Partnership Act.	
2. Notwithstanding any other provision of law, of the funds appropriated in this item, \$8,912,000 are available for the purpose of matching Job Training Partnership Act funds available under Section 1602(b) (1) of Title 29 of the United States Code. The Superintendent of Public Instruction shall allocate these funds for provision of remedial education services and for provision of occupational skills training services provided in conjunction with remedial education services to GAIN participants pursuant to Section 33117.5 of the Education Code.	
6110-166-890—For local assistance, Department of Education, Program 10.70—Vocational Education, payable from the Federal Trust Fund	107,502,000
Provisions:	
1. The funds appropriated in this item include Federal Vocational Education Act funds for the 1994–95 fiscal year to be transferred to the community colleges by means of interagency agreements for the purpose of funding vocational education programs in community colleges.	

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2. The State Board of Education and the Board of Governors of the California Community Colleges shall target funds appropriated by this item to provide services to Greater Avenues for Independence (GAIN) participants.	
3. The Superintendent of Public Instruction shall report, not later than February 1 of each year, to the Joint Legislative Budget Committee, to the Director of Finance, and to the California State Council on Vocational Education, describing the amount of carryover funds from this item, reasons for the carryover, and plans to reduce the amount of carryover.	
6110-171-001—For local assistance, Department of Education (Proposition 98), School Safety Metal Detectors.....	1,000,000
Provisions:	
1. The Department of Education shall allocate these funds to the Los Angeles Unified School District for the purchase of stationary and handheld metal detectors pursuant to AB 777 of the 1993-94 legislative session.	
6110-176-890—For local assistance, Department of Education, Program 10.40.030—Emergency Immigrant Education and Foreign Language Assistance Programs, payable from the Federal Trust Fund .	15,210,000
6110-181-140—For local assistance, Department of Education, Program 20.10.055-Environmental Education, payable from the California Environmental License Plate Fund.....	800,000
6110-183-890—For local assistance, Department of Education, Program 20.10.045—Health and Physical Education, Instructional Support—Drug Free Schools and Communities Act of 1986 (PL 100-297). Provisions:	42,252,000
1. School districts shall give priority in the expenditure of the funds appropriated by this item to establishing, expanding, or improving programs that target pupils at high risk of abusing drugs (including alcohol). The Superintendent of Public Instruction shall (a) notify school districts of this policy, and (b) incorporate the policy into the department’s quality review procedures.	

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6110-186-001—For local assistance, Department of Education (Proposition 98), Instructional Materials Management Program 20.20.20.001 and Distribution—Kindergarten and Grades 1–8.....	9,118,000
Provisions:	
1. The funds appropriated by this item are for transfer by the Controller, in lieu of the appropriation provided for in Section 60246 of the Education Code, to the State Instructional Materials Fund, for allocation during the 1994–95 fiscal year for the purchase of instructional materials for kindergarten and grades 1 to 8, inclusive, pursuant to Article 3 (commencing with Section 60240) of Chapter 2 of Part 33 of the Education Code. These funds shall be transferred to the State Instructional Materials Fund by the Controller in amounts claimed by the State Department of Education, and the remaining balance, if any, shall be transferred to the State Instructional Materials Fund on June 30, 1995.	
2. Funds appropriated by this item for the Instructional Materials Management and Distribution Program shall be transferred for direct disbursement by the State Department of Education from the State Instructional Materials Fund.	
3. It is the intent of the Legislature that the funding appropriated by this item be a one-time appropriation.	
6110-196-890—For local assistance, Department of Education, Program 30.10—Child Development, payable from the Federal Trust Fund.....	135,070,000
Schedule:	
(a) 30.10.040.001—Special Program— Child Development	1,382,000
(b) 30.10.040.002—Special Program— Child Care Block Grant, Direct Services.....	133,688,000
Provisions:	
1. Notwithstanding any other provision of law, the funds appropriated by this item, to the extent permissible under federal law, are subject to Section 8262 of the Education Code.	
2. Of the funds appropriated in this item, up to \$2,000,000 shall be available for the effort to provide automation to child care and development agencies that contract with the State Department of Education. The Department of Finance	

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may transfer up to \$2,000,000 from this item to Item 6110-001-890 upon approval by the Department of Finance of a feasibility study report. The Department of Finance shall notify the Legislature pursuant to Section 28.00 of this act prior to transferring funds from this item to Item 6110-001-890.

- 3. Of the funds appropriated in this item, \$26,000,000 in federal child care and development block grant funds appropriated by the federal government prior to the 1995 federal fiscal year shall be available to alternative payment programs and \$6,137,000 from the same source of funds shall be available for the following purposes: (a) \$660,000 for local planning councils, (b) \$140,000 for the Child Development Policy Advisory Committee, (c) \$1,160,000 for quality improvement activities, and (d) \$4,177,000 for instructional material and supplies. Of the \$26,000,000 available to alternative payment programs, the State Department of Education shall maximize expenditures from federal child care and development block grant funds returned to the department by the Department of Social Services pursuant to an interagency agreement regarding the Miller v. Healy lawsuit.

- 4. Of the \$4,177,000 designated for instructional materials and supplies pursuant to Provision 3 of this item, \$200,000 shall be available for child care services provided by the Santa Clara County Joint Child Care Committee. This amount shall not be deducted from any funds otherwise scheduled for allocation to the Santa Clara County Joint Child Care Committee for the 1994-95 fiscal year.

6110-197-001—For local assistance, Department of Education (Proposition 98), Program 20.60—for transfer to the Department of Education by executive order of the Department of Finance to fund intersegmental programs

1,750,000

Schedule:

- (a) 20.60.100-Intersegmental Programs 1,750,000

Provisions:

- 1. Funds appropriated by this item are for allocation to school districts, as defined in Section

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41302.5 of the Education Code, to fund their participation in the Mathematics, Engineering, and Science Achievement (MESA) program. The Department of Education shall allocate these funds to provide for the participation in that program of 1,500 new pupils, granting priority for this purpose to participation on the part of Native American pupils.	
6110-200-001—For local assistance, Department of Education (Proposition 98), Healthy Start Support Services for Children Act	19,000,000
6110-201-001—For local assistance, Department of Education (Proposition 98), Program 30.20-Child Nutrition	2,000,000
Schedule:	
(a) 30.20.030-Breakfast Startup Grants..	2,000,000
Provisions:	
1. Notwithstanding any other provision of law, the amount appropriated in Schedule (a) is for the purpose of providing grants to school districts and county superintendents of schools during the 1994-95 school year pursuant to Section 49550.3 of the Education Code.	
6110-201-890—For local assistance, Department of Education, Program 30.20—Child Nutrition, payable from the Federal Trust Fund	864,143,000
6110-202-001—For local assistance, Department of Education.....	9,686,000
Schedule:	
(a) 30.20.010-Child Nutrition.....	9,682,000
(b) 30.20.020-Pregnant/Lactating Minors.....	4,000
Provisions:	
1. Funds appropriated by this item are for child nutrition programs pursuant to Section 41311 of the Education Code. Claims for reimbursement of meals pursuant to this appropriation shall be submitted not later than September 30, 1995, to be eligible for reimbursement.	
2. Notwithstanding any other provision of law, except as provided in this provision, funds appropriated by this item shall be available for allocation in accordance with Section 49536 of the Education Code, except that the allocation shall not be made based on all meals served, but based on the number of meals that are served and that qualify as free or reduced price meals	

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in accordance with Sections 49501, 49550, and 49552 of the Education Code.	
3. Of the funds appropriated by this item, \$634,000 shall be for growth in the child nutrition program identified in Schedule (a).	
6110-225-001—For local assistance, Department of Education (Proposition 98), Program 20.60.020—School Safety	799,500
Schedule:	
(a) 20.60.02.004—School Crime Report	799,500
Provisions:	
4. The funds appropriated in Schedule (a) shall be used by the State Department of Education to contract with a county office of education for the purpose of improving the school crime report required by Section 628.2 of the Penal Code. Of the funds available in this item, up to \$633,600 shall be used for expenses related to data collection materials, training, reporting materials, the development of a validation system, and reimbursement for training of local education agencies. The balance of the funds shall be used to develop a statewide automated data collection system. These funds shall be expended only upon the completion of a feasibility study report, and no sooner than 15 days after submitting the feasibility study report to the Department of Finance and the Office of Child Development and Education.	
6110-230-001—For local assistance, Department of Education, (Proposition 98) for transfer to Section A of the State School Fund, for allocation by the Superintendent of Public Instruction to school districts, county offices of education, and other agencies for the purposes of the Proposition 98 educational programs funded in this item, in lieu of amounts otherwise provided by statute	3,012,504,895
Schedule:	
(a) Programs	3,081,605,874
(b) Reimbursements.....	—69,100,979
Provisions:	
1. The Superintendent of Public Instruction shall take action, in a manner consistent with state policy as expressed in statute and with the purposes of this act, to ensure the orderly administration of state-funded education programs conducted by local agencies. The 1994–95 fiscal year	

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allocations of state aid for these programs shall be in the same amounts as the 1993–94 fiscal year allocations, adjusted as appropriate to reflect changes in other state, federal, and local revenues. The Superintendent of Public Instruction shall apportion funds from the program allocations to each school district, county office of education, or other agency in a manner consistent with the policies, formulas, regulations, and statutes governing those apportionments, including the appropriate program provisions set forth in the Proposed Conference Amendments No. 2 of July 2, 1992, for Senate Bill 1280 of the 1991–92 Regular Session. If funding provided in this item is greater or lesser than the amount necessary to fund these programs, the superintendent shall apportion the excess or deficiency on a proportional basis across all programs.

2. Notwithstanding any other provision of law, not more than 10 percent of the amount apportioned to any school district, county office of education, or other agency under this item for any program may be expended by that recipient for the purposes of any other program for which the recipient is eligible for funding under this item, except that the total amount of funding allocated to the recipient under this item that is expended by the recipient for the purposes of any program pursuant to this item shall not exceed 115 percent of the amount of state funding allocated pursuant to Provision 1 to that recipient for that program for the 1994–95 fiscal year.
3. The educational programs that are not eligible for funding under this item are those programs funded by the following items of the Budget Act of 1991 (Ch. 118, Stats. 1991): Items 6110-001-001, 6110-001-178, 6110-001-231, 6110-001-344, 6110-001-687, 6110-001-890, 6110-005-001, 6110-006-001, 6110-006-814, 6110-008-001, 6110-015-001, 6110-021-001, 6110-101-001, 6110-101-814, 6110-101-890, 6110-106-001, 6110-113-001, 6110-117-001, 6110-128-890, 6110-129-001, 6110-136-890, 6110-141-890, 6110-152-001, 6110-156-890, 6110-160-001, 6110-161-001, 6110-161-890, 6110-165-001, 6110-166-890, 6110-171-178, 6110-176-890, 6110-181-140, 6110-183-890, 6110-196-890, 6110-201-890, 6110-202-001, and 6350-101-001.

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4. Notwithstanding Section 52616.18 of the Education Code, if funds are available under this item after funding is allocated pursuant to that section, a school district that operated, and claimed state apportionments for, an adult education program in the prior fiscal year for less than 30 units of average daily attendance (ADA) may qualify under that section starting at 30 units of ADA.	
5. Credit for participating in adult education classes or programs may be generated by a special day class pupil only for days for which the pupil has met the minimum day requirement in Section 46141 of the Education Code.	
6. Except for instructional personnel services units serving infants, the county office or school district reporting a unit for the funding of special education programs under this item shall be the agency that employs the personnel staffing the units, unless the combined unit rate and support service ratio of the nonemploying agency is equal to or lower than that of the employing agency and both agencies agree that the nonemploying agency will report the unit for funding.	
7. Notwithstanding any other provision of law, alternative payment child care systems shall be subject to the rates established in the GAIN Market Rate Survey for provider payments.	
8. Notwithstanding subdivision (z) of Section 8208 of the Education Code, for purposes of this item, a "site supervisor" is a person who has operational program responsibility for a child care and development program at a single site. A site supervisor shall meet the qualifications prescribed by Title 22 of the California Code of Regulations for a day care center director. In addition, these persons shall hold a regular children's center instructional permit, and shall have completed not less than six units in administration and supervision or early childhood education and child development, or both.	
9. Notwithstanding any other provision of law, in the case of the Oakland Unified School District, the Controller shall identify the 1993-94 fiscal year as "the first full year of operations" for purposes of Section 42247 of the Education Code,	

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- provided that the amount of audited costs approved by the Controller for the first full year of operation shall not exceed nine million seven hundred thousand dollars (\$9,700,000).
10. The reduction of the maximum allowable building area for each applicant school district pursuant to Section 17746.8 of the Education Code shall be a permanent reduction to the district's eligibility for funding under Chapter 22 (commencing with Section 17700) of Part 10 of the Education Code. To the extent feasible, the reduction shall be applied to district projects that represent the same grade levels of the pupils for which the district is claiming funding pursuant to Section 42263 of the Education Code.
 11. Of the funds appropriated in this item, \$50,000 shall be allocated from the total available Mentor Teacher Program local assistance funds to a county office of education to be designated as the local educational agency (LEA) to conduct a statewide evaluation of the Mentor Teacher Program in the 1994-95 fiscal year under the direction of the California Department of Education's Teaching Support Office. Funds allocated to LEAs for implementation of the Mentor Teacher Program will subsequently be reduced by \$50,000.
 13. Of the funds appropriated in this item for child care and development services pursuant to Chapter 2 (commencing with Section 8200) of Part 6 of the Education Code, up to \$4,717,000 shall be available for the administrative costs of alternative payment programs receiving federal Child Care and Development Block Grant Funds, and \$2,857,000 shall be available to provide additional child care services in the General Child Care Program. To the extent possible, the State Department of Education shall allocate 50 percent of the \$2,857,000 to provide child care services for preschool age children and the other 50 percent to provide child care services for infants and toddlers.
 14. Notwithstanding subdivision (b) of Section 8278 of the Education Code, funds available for expenditure pursuant to Section 8278 of the Education Code shall be expended in the

Item	Amount
<p>1994-95 fiscal year pursuant to the following schedule:</p> <ul style="list-style-type: none"> (a) \$3,500,000 for accounts payable pursuant to paragraph (1) of subdivision (b) of Section 8278 of the Education Code. (b) \$2,800,000 for the administrative costs of providing services with federal Child Care and Development Block Grant funds returned to the State Department of Education pursuant to an interagency agreement with the Department of Social Services regarding Miller v. Healy lawsuit. Any balance of the amount specified in paragraph (a) above, not required to meet the department's obligations pursuant to paragraph (1) of subdivision (b) of Section 8278, and any funds available pursuant to Section 8278 of the Education Code not scheduled in this provision, also shall be expended to maximize expenditures of federal funds previously earmarked for the Miller v. Healy lawsuit. (c) \$1,200,000 for quality improvement activities. <p>15. Of the funds available pursuant to Section 8278 of the Education Code and scheduled for quality improvement activities pursuant to this item, the State Department of Education shall allocate \$320,000 for the preschool education project by the Public Television Stations in Redding, San Francisco, San Jose, Sacramento, and Los Angeles. The Department shall allocate those funds in accordance with the following criteria:</p> <ul style="list-style-type: none"> (a) The 30 percent minimum match. (b) A plan that specified the providers to be trained. (c) Number of trainings held and trainers to be trained. (d) Quality of the training offered. (e) Linkages to the child care community. (f) Cost-effectiveness. <p>16. Local educational agencies may use the authority granted under Provision 2 of this item to provide the funds necessary to initiate a Healthy Start program pursuant to Chapter 5</p>	

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17.	<p>(commencing with Section 8800) of Part 6 of the Education Code.</p> <p>The State Department of Education shall renew the contract with the Foundation Center for Phenomenological Research, Inc., (the "Foundation Center") for the 1994-95 fiscal year. During this period, the department shall address issues raised in Sacramento County Superior Court Case No. 378047 and in the department's subsequent administrative proceedings. The department shall make a final administrative determination regarding whether the Foundation Center will receive a contract for the 1995-96 fiscal year. During this period, the Foundation Center shall do all of the following:</p> <ul style="list-style-type: none">(a) Convert its current State Department of Education bank account to a State Department of Education checking account.(b) Cooperate with the State Department of Education to close outstanding audit disputes from the 1991-92 and 1992-93 fiscal years.(c) Submit a comprehensive business plan to the State Department of Education that addresses how the Foundation Center will be financially solvent for the 1994-95 and 1995-96 fiscal years.	
18.	<p>Notwithstanding any other provision of law, funding distributed to each LEA for reimbursement of services provided in the 1994-95 fiscal year for the Adults in Correctional Facilities Program shall be limited to the amount received by each agency for services provided in the 1993-94 fiscal year, not to exceed a total of \$13,400,000 for all programs. Funding shall be reduced or eliminated, as appropriate, for any LEA that reduces or eliminates services provided under this program in the 1994-95 fiscal year, as compared to the level of service provided in the 1993-94 fiscal year. Any funds remaining as a result of those decreased levels of service shall be reallocated to provide support for new programs in accordance with Section 41841.8 of the Education Code.</p>	
19.	<p>Local education agencies may use the authority granted pursuant to Provision 2 of this item</p>	

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<p>to provide the funds necessary to initiate a conflict resolution program pursuant to Chapter 2.5 (commencing with Section 32260) of Part 19 of the Education Code.</p> <p>6110-401—For maintenance of accounting records by the State Controller’s office and the Department of Education or any other agency maintaining such records, appropriations made in this act for agency 6110 (Department of Education) are to be recorded under agency 6100 (Department of Education).</p> <p>6110-402—Notwithstanding any provision of law to the contrary, no funds appropriated by this act, or by any act enacted prior to the enactment of this act, shall be, in the absence of a court order, deemed appropriated or available for expenditure for purposes of claims for vocational education average daily attendance arising from Section 46140 of the Education Code as it read prior to the enactment of Chapter 1230 of the Statutes of 1977.</p> <p>6110-485—Reappropriation (Proposition 98), Department of Education. The sum of \$43,919,000 is reappropriated from the Proposition 98 Reversion Account, for the following purposes:</p> <p>001—General Fund</p> <p>(2) \$29,153,000 to augment the appropriation made in Item 6110-230-001.</p> <p>(3) \$10,369,000 for transfer to the State Controller, for reimbursement, in accordance with the provisions of Section 6 of Article XIII B of the California Constitution or Section 17561 of the Government Code, of costs incurred by school districts pursuant to Article 2 (commencing with Section 40040) of Chapter 6 of Part 23 of the Education Code (Civic Center Act) during the fiscal years 1985–86 to 1992–93, inclusive.</p> <p>(4) \$2,121,000 for the average daily attendance provided for the 1993–94 fiscal year for the Adults in Correctional Facilities Program in augmentation of Item 6110-230-001.</p> <p>(5) \$2,276,000 to fund desegregation costs for the 1989–90 fiscal year. \$1,950,000 of that amount is for court-ordered programs, and \$326,000 is for voluntary programs. These amounts shall be allocated in accordance with the following</p>	

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schedule, based on claims that have been audited by the Controller's Office.	
Schedule:	
(a) Los Angeles Unified School District—Court-ordered Desegregation.....	1,850,900
(b) San Jose Unified School District—Court-ordered Desegregation	99,400
(c) Berkeley Unified School District—Voluntary Desegregation	325,700
Provisions:	
1. The funds reappropriated for allocation pursuant to this item shall be transferred to Section A of the State School Fund.	
6110-490—Reappropriation, Department of Education.	
Notwithstanding any other provision of law, the unencumbered balances are reappropriated from the following citations, for the purpose specified, and shall be available for encumbrance and expenditure until June 30, 1995:	
001-General Fund	
(1) The unencumbered balances as of June 30, 1994, are reappropriated from the following items, for transfer to the State Controller for reimbursement, in accordance with the provisions of Section 6 of Article XIII B of the California Constitution or Section 17561 of the Government Code, of costs incurred by school districts pursuant to Chapter 49 of the Statutes of 1984 (Civic Center Act) during the 1985–86 through 1992–93 fiscal years:	
(a) Section 22, Budget Act of 1990	
(b) Item 6110-196-001, Budget Act of 1990	
(c) Item 6110-006-001, Budget Act of 1992	
(d) Item 6870-103-001, Budget Act of 1992	
(2) The unencumbered balance as of June 30, 1994, is reappropriated from the following item for purposes of the California Comprehensive Testing Program (CCTP) as specified in Provision 2(d) of Item 6110-113-001:	
(a) Item 6110-113-001, Budget Act of 1993.	
(3) The unencumbered balance as of June 30, 1994, is reappropriated from the following item to provide school breakfast startup grants	

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<p>in the 1994-95 fiscal year pursuant to Section 49550.3 of the Education Code:</p> <p>(a) Item 6110-201-001, Budget Act of 1993.</p> <p>(4) The unencumbered balance as of June 30, 1994, is reappropriated from the following item for purposes of augmenting the General Fund appropriation in Item 6110-230-001 of Section 2.00 of this act:</p> <p>(a) Item 6110-230-001, Budget Act of 1993.</p>	
<p>6110-496—Reversion, Department of Education. Notwithstanding subdivision (a) of Section 2.00 of this act or Section 16304 of the Government Code, as of the date that the settlement is final in the case of Long Beach Unified School District v. State of California, any funds remaining in the state special deposit impound account established for purposes of this case that are not necessary for the payment of the state's obligations under that settlement, plus any interest that would be credited to the account after that date, immediately shall revert to the General Fund.</p>	
<p>6120-011-001—For support of California State Library, Division of Libraries, and California Library Services Board</p>	12,549,000
<p>Schedule:</p> <p>(a) 10-State Library Services</p> <p>(b) 20-Library Development Services</p> <p>(c) 30-Automation Services.....</p> <p>(d) 40.01 Administration</p> <p>(e) 40.02 Distributed Administration.</p> <p>(ex) Unallocated Reduction.....</p> <p>(f) Reimbursements.....</p> <p>(g) Amount payable from the Federal Trust Fund (Item 6120-011-890) ..</p>	<p>12,380,000</p> <p>3,024,000</p> <p>689,000</p> <p>1,482,000</p> <p>—1,482,000</p> <p>—164,000</p> <p>—552,000</p> <p>—2,828,000</p>
<p>6120-011-020—For support of the California State Library, Program 10—State Library Services, for support of the State Law Library</p>	535,000
<p>Provisions:</p> <p>1. The Director of Finance may authorize the augmentation of the total amount available for expenditure under this item in the amount of revenue received by the State Law Library Special Account which is in addition to the revenue appropriated by this item or in the amount of funds unexpended from previous fiscal years, not sooner than 30 days after notification in writing to the chairpersons of the fiscal committees</p>	

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of each house and the Chairperson of the Joint Legislative Budget Committee.	
6120-011-890—For support of California State Library, for payment to Item 6120-011-001, payable from the Federal Trust Fund.....	2,828,000
6120-012-001—For support of the California State Library, Program 10—State Library Services, for debt service payments on lease revenue bonds....	1,659,000
6120-211-001—For local assistance, California State Library, Program 20—Library Development Services	13,438,000
Schedule:	
(a) 20.10—California Literacy Campaign.....	2,890,000
(b) 20.20—Families for Literacy Program	576,000
(c) 20.30—Direct Loan and Interlibrary Loan Programs.....	6,537,000
(d) 20.40—Computerized Data Base pursuant to Education Code Section 18767.....	275,000
(e) 20.50—California Library Services Act pursuant to Chapter 4 (commencing with Section 18700) of Part 11 of the Education Code....	3,160,000
Provisions:	
1. Should the funds appropriated in Schedule (c) be insufficient to fully cover all transactions under the Direct Loan and Interlibrary Loan programs of the California Library Services Act, funding shall be prorated such that expenditures for the program are within the appropriation made in Schedule (c) of this item.	
6120-211-890—For local assistance, California State Library, Program 20—Library Development Services, payable from the Federal Trust Fund.....	11,901,000
6120-221-001—For local assistance, California State Library Program 20—Library Development Services—Public Library Foundation Program.....	8,870,000
1. Notwithstanding any other provision of law, for the 1994–95 fiscal year, the date on or before which the fiscal officer of each public library shall report to the State Librarian the information specified in Section 18023 of the Education Code shall be December 1, 1994.	
2. Notwithstanding any other provision of law, for the 1994–95 fiscal year, the date on or before	

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which the Controller shall distribute funds to the fiscal officer of each public library as specified in Section 18026 of the Education Code shall be February 15, 1995.	
6255-001-001—For state operations, California State Summer School for the Arts	646,000
Schedule:	
(a) 10-California State Summer School for the Arts.....	1,217,000
(b) Reimbursements from private donations and fees	-571,000
6320-001-001—For support of California State Council on Vocational Education.....	94,000
Schedule:	
(a) 10-State Council on Vocational Education.....	326,000
(b) Amount payable from the Federal Trust Fund (Item 6320-001-890) ..	-232,000
6320-001-890—For support of California State Council on Vocational Education, for payment to Item 6320-001-001, payable from the Federal Trust Fund.....	232,000
6330-001-890—For support of the California Occupational Information Coordinating Committee, payable from the Federal Trust Fund.....	281,000
6360-001-001—For support of the Commission on Teacher Credentialing, for the purpose of administering the Paraprofessional Teacher Training Program.....	60,000
Schedule:	
(a) 10-Standards for Preparation and Licensing of Teachers	60,000
6360-001-407—For support of Commission on Teacher Credentialing, payable from the Teacher Credentials Fund	8,761,000
Schedule:	
(a) 10-Standards for Preparation and Licensing of Teachers	8,761,000
(b) 10.40.010-Departmental Administration	1,776,000
(c) 10.40.020-Distributed Departmental Administration	-1,776,000
Provisions:	
1. The amount appropriated in this item may be increased, based on increases in credential applications, increases in first-time credential applications requiring fingerprint clearance, or	

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<ul style="list-style-type: none"> unanticipated costs of litigation, subject to approval of the Department of Finance and notification of the Joint Legislative Budget Committee in accordance with the provisions of Section 28.00 of this act. 	
<ul style="list-style-type: none"> 2. If Senate Bill No. 1843 of the 1993–94 Regular Session (S.B. 1843) is enacted, the Commission on Teacher Credentialing may expend an amount, not to exceed \$550,000, of the revenues resulting from the increase in credential fees authorized by S.B. 1843, for the purpose of implementing the provisions of S.B. 1843. 	
6360-001-408—For support of Commission on Teacher Credentialing, payable from the Test Development and Administration Account of the Teacher Credentials Fund.....	5,561,000
Schedule:	
<ul style="list-style-type: none"> (a) 10-Standards for Preparation and Licensing of Teachers 5,561,000 	
Provisions:	
<ul style="list-style-type: none"> 1. The amount appropriated in this item may be increased for unanticipated costs of litigation , or for costs from increases in the number of examinees, subject to approval of the Department of Finance and notification of the Joint Legislative Budget Committee in accordance with the provisions of Section 28.00 of this act. 	
6360-101-001—For local assistance, Commission on Teacher Credentialing (Proposition 98)	3,478,000
Schedule:	
<ul style="list-style-type: none"> (a) 10-Standards for Preparation and Licensing of Teachers 3,478,000 	
Provisions:	
<ul style="list-style-type: none"> 1. Of the funds appropriated in this item, \$2,000,000 is for incentive grant funding to school districts and county offices of education participating in the alternative teacher certification program established in Article 11 (commencing with Section 44380) of Chapter 2 of Part 25 of the Education Code. 	
<ul style="list-style-type: none"> 2. Of the funds appropriated in this item, \$1,478,000 shall be available for grants and subventions to school districts and county offices of education participating in the California School Paraprofessional Teacher Training Program pursuant to Article 6.5 (commencing with Sec- 	

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tion 69619) of Chapter 2 of Part 42 of the Education Code.	
6420-001-001—For support of California Postsecondary Education Commission	3,512,000
Schedule:	
(a) 100000-Personal Services	2,609,000
(b) 300000-Operating Expenses and Equipment	1,648,000
(c) Reimbursements	-16,000
(d) Amount payable from the Federal Trust Fund (Item 6420-001-890) ..	-729,000
Provisions:	
1. Of the funds appropriated in this item, \$247,000 of the funds appropriated by Schedule (a) and \$853,000 of the funds appropriated by Schedule (b) are contingent upon the enactment of Assembly Bill No. 3696 of the 1993-94 Regular Session.	
6420-001-890—For support of California Postsecondary Education Commission, for payment to Item 6420-001-001, payable from the Federal Trust Fund	729,000
6420-101-890—For local assistance, California Postsecondary Education Commission, payable from the Federal Trust Fund	7,352,000
6440-001-001—For support of University of California	1,717,696,000
Schedule:	
(a) Support	1,657,664,000
(b) Charles Drew Medical Program ..	6,795,000
(c) Podiatry Program	926,000
(d) Mathematics, Engineering and Science Achievement (MESA) ...	1,803,000
(e) Acquired Immune Deficiency Syndrome (AIDS) Research	8,593,000
(f) Institute of Global Conflict and Cooperation	550,000
(g) Student Financial Aid	53,865,000
(h) Unallocated Reduction	-12,500,000
Provisions:	
1. The appropriations made in this item are exempt from Section 31.00 of this act.	
2. None of the funds appropriated in this item may be expended to initiate major capital outlay projects by contract without prior legislative approval, except for cogeneration and energy conservation projects. Exempted projects shall be	

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reported under the provisions of Section 28.00 of this act.	
3. The funds appropriated in Schedule (b) are for support of University of California program of clinical health sciences education, research, and public service, conducted in conjunction with the Charles R. Drew Postgraduate Medical School, as provided for in Sections 1, 2, and 3 of Chapter 1140 of the Statutes of 1973.	
4. The University of California shall ensure by adequate controls that funds appropriated by Schedule (b) are expended solely for the support of such programs.	
5. The funds appropriated in Schedule (c) are for support of a program of basic and clinical health science education and primary health care delivery research in the field of podiatry, University of California, to be conducted in conjunction with the California College of Podiatric Medicine as provided for in Sections 1 to 4, inclusive, of Chapter 1497, Statutes of 1974.	
6. Of the amount appropriated in Schedule (a), \$2,629,957 shall be available for expenditure only for support of the Northern and Southern Occupational Health Centers as established by a contract entered into with the Department of Industrial Relations pursuant to Section 50.8 of the Labor Code.	
7. The funds appropriated in Schedule (g) are for support of Program 45, Student Financial Aid, to provide financial aid to needy students attending the University of California, according to the nationally accepted needs analysis methodology.	
8. Of the amount appropriated in Schedule (a), \$6,039,000 is for payment of energy service contracts in connection with the issuance of Public Works Board Energy Efficiency Revenue Bonds.	
9. Since it is the intent of the Legislature in enacting this act that no qualified student be denied admission to the University of California because of a budget deficiency caused by unanticipated additional enrollments, the Director of Finance may, following the adoption of a resolution by the Regents of the University of California declaring an enrollment emergency, au-	

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thorize the accelerated expenditure of amounts budgeted for the university in the form of an agreement to seek a supplementary appropriation from the General Fund to the extent necessary to ensure that all qualified students can be admitted, provided that the Director of Finance certifies that the systemwide enrollment of the University of California exceeds by 2 percent or more the enrollment upon which the budget for the university was based. In no event may the increased expenditure exceed, in the aggregate, \$6,000,000 for both the University of California and the California State University or be authorized sooner than 30 days after notification in writing of the necessity therefor to the chair of the committee in each house that considers appropriations and the Chair of the Joint Legislative Budget Committee, or not sooner than such lesser time as the chair of that committee, or his or her designee, may in each instance determine.

In the event that the systemwide enrollment of the University of California is under the budgeted enrollment by more than 2 percent, the excess shall be unallocated by the Director of Finance. Unallocated funds may be reallocated to preclude layoffs only after the Director of Finance has approved that action, and shall not be authorized sooner than 30 days after notification in writing of the necessity therefor to the chair of the committee in each house that considers appropriations and the Chair of the Joint Legislative Budget Committee, or not sooner than such lesser time as the chair of that committee, or his or her designee, may in each instance determine.

For purposes of this provision, graduate enrollments of the University of California shall be excluded from all calculations.

6440-001-004—For support of the University of California, payable from the Breast Cancer Fund.....	14,706,000
6440-001-046—For support of University of California, Institute of Transportation Studies, payable from the Transportation Planning and Development Account, State Transportation Fund.....	956,000

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6440-001-660—For support of the University of California, payable from the Public Buildings Construction Fund from the sale of bonds, negotiable notes, or negotiable bond anticipation notes pursuant to the Government Code	25,000,000
Provisions:	
1. The funds appropriated in this item are for priority one deferred maintenance projects that would renew or replace existing capital assets and would have an anticipated useful life of at least 15 years.	
2. The projects funded from this appropriation shall be identified in the university's annual report on deferred maintenance to the Legislature.	
3. Notwithstanding subdivision (b) of Section 2.00 of this act, the funds appropriated in this item shall be available for expenditure until June 30, 1996.	
6440-001-814—For support of University of California, for allocation by the State Controller in accordance with the provisions of Government Code Section 8880.5 as enacted by the voters in Proposition 37 at the November 1984 general election, payable from the California State Lottery Education Fund	15,398,000
Provisions:	
1. All funds received pursuant to Proposition 37 that are allocable to the University of California pursuant to Section 8880.5 of the Government Code, and that are in excess of the amount appropriated in this item are hereby appropriated in augmentation of this item.	
6440-002-001—For support of University of California .	(55,000,000)
Provisions:	
1. Notwithstanding Section 2.00 of this act, the funds appropriated by this item are not available for expenditure or encumbrance prior to July 1, 1995. Claims for these funds shall be submitted by the University of California on or after July 1, 1995, and before October 1, 1995.	
2. No reserve may be established by the State Controller for this appropriation before July 1, 1995.	

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6440-003-001—For support of the University of California, for transfer to and in augmentation of Item 6440-001-001, for payment of lease-purchase payments to be allocated upon order of the Director of Finance no sooner than necessary to allow the University of California to make the required lease-purchase payments.....	57,981,000
6440-301-660—For capital outlay, State Public Works Board, payable from the Public Buildings Construction Fund, from proceeds from the sale of bonds, negotiable notes or negotiable bond anticipation notes for the construction of University of California instructional facilities pursuant to Government Code Section 15820.50, et seq.....	4,886,000
Schedule:	
Riverside Campus:	
(1) 99.05.065-Humanities and Social Sciences Building, Unit 1—Equipment.....	1,148,000
San Diego Campus:	
(2) 99.06.085-Engineering Building Unit 2—Equipment	2,139,000
(3) 99.06.115-Social Sciences Building—Equipment	1,105,000
Santa Barbara Campus:	
(4) 99.08.030—Physical Sciences Building—Equipment.....	494,000
Provisions:	
1. In addition to the cost of construction, the State Public Works Board may authorize any additional amounts necessary to pay the costs of financing, including interest during construction of the project, a reasonably required reserve fund and the cost of issuance of permanent financing.	
6440-301-705—For capital outlay, University of California, in those amounts identified pursuant to Provision 1, payable from the Higher Education Capital Outlay Bond Fund of 1992.	
Provisions:	
1. Identified savings in funds encumbered from this general obligation bond fund for construction contracts for capital outlay projects, remaining after completion of a capital outlay project and upon resolution of all change orders and claims, may be used: (a) to begin working drawings for a project for which preliminary	

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<p>plan funds have been appropriated and the plans have been approved by the State Public Works Board consistent with the scope and cost approved by the Legislature as adjusted for inflation only, (b) to proceed further with the underground tank corrections program, (c) to perform engineering evaluations on buildings that have been identified as potentially in need of seismic retrofitting, or (d) to proceed with design and construction of projects to meet requirements under the federal Americans With Disabilities Act.</p> <p>No later than March 1, 1995, the University of California shall provide the Legislative Analyst with a progress report showing (a) the identified savings by project and (b) the purpose for which the identified savings were used.</p> <p>No later than November 1, 1995, the University of California shall prepare a report showing (a) the identified savings by project and (b) the purpose for which the identified savings were used. This report shall be submitted to the chair of the Joint Legislative Budget Committee and to the chairs of the fiscal committees in each house.</p>	
<p>6440-301-782—For capital outlay, University of California, payable from the Higher Education Capital Outlay Bond Fund of 1986.....</p>	830,000
<p>Schedule:</p> <p>Davis Campus:</p> <p>(0.3) 99.03.100-Bodega Marine Laboratory Expansion—Equipment ..</p>	120,000
<p>Irvine Campus:</p> <p>(0.5) 99.09.115-Computer Science Addition and Renovation—Equipment</p>	222,000
<p>(0.7) 99.09.140-Science Lecture Hall Building Alterations and Seismic Improvements—Equipment</p>	259,000
<p>San Diego Campus:</p> <p>(2.1) 99.06.110-Mandeville Renovations—Equipment</p>	229,000
<p>Provisions:</p> <p>1. Identified savings in funds encumbered for construction contracts from this general obligation bond fund after completion of a capital outlay</p>	

Item	Amount
<p>project, and upon resolution of all change orders and claims, may be used: (a) to begin working drawings for a project for which preliminary plan funds have been appropriated and the plans have been approved by the State Public Works Board consistent with the scope and cost approved by the Legislature as adjusted for inflation only, (b) to proceed further with the underground tank corrections program, (c) to perform engineering evaluations on buildings that have been identified as potentially in need of seismic retrofitting, or (d) to proceed with design and construction of projects to meet requirements under the federal Americans with Disabilities Act.</p> <p>No later than March 1, 1995, the University of California shall provide the Legislative Analyst with a progress report showing (a) the identified savings by project and (b) the purpose for which the identified savings were used.</p> <p>No later than November 1, 1995, the University of California shall prepare a report showing (a) the identified savings by project and (b) the purpose for which the identified savings were used. This report shall be submitted to the Chair of the Joint Legislative Budget Committee and to the chairs of the fiscal committees in each house.</p> <p>6440-301-785—For capital outlay, University of California, in those amounts identified pursuant to Provision 1, payable from the 1988 Higher Education Capital Outlay Bond Fund.</p> <p>Provisions:</p> <ol style="list-style-type: none"> 1. Identified savings in funds encumbered from this general obligation bond fund for construction contracts for capital outlay projects, remaining after completion of a capital outlay project and upon resolution of all change orders and claims, may be used: (a) to begin working drawings for a project for which preliminary plan funds have been appropriated and the plans have been approved by the State Public Works Board consistent with the scope and cost approved by the Legislature as adjusted for inflation only, (b) to proceed further with the underground tank corrections program, (c) to perform engineering evaluations on buildings that 	

Item	Amount
<p>have been identified as potentially in need of seismic retrofitting, or (d) to proceed with design and construction of projects to meet requirements under the federal Americans with Disabilities Act.</p> <p>No later than March 1, 1995, the University of California shall provide the Legislative Analyst with a progress report showing (a) the identified savings by project and (b) the purpose for which the identified savings were used.</p> <p>No later than November 1, 1995, the University of California shall prepare a report showing (a) the identified savings by project and (b) the purpose for which the identified savings were used. This report shall be submitted to the chair of the Joint Legislative Budget Committee and to the chairs of the fiscal committees in each house.</p>	
<p>6440-301-791—For capital outlay, University of California, payable from the Higher Education Capital Outlay Bond Fund of June 1990.</p> <p>Provisions:</p> <p>2. Identified savings in funds encumbered for construction contracts from this general obligation bond fund after completion of a project, and upon resolution of all change orders and claims, may be used: (a) to begin working drawings for a project for which preliminary plan funds have been appropriated and the plans have been approved by the State Public Works Board consistent with the scope and cost approved by the Legislature as adjusted for inflation only, (b) to proceed further with the underground tank corrections program, (c) to perform engineering evaluations on buildings that have been identified as potentially in need of seismic retrofitting, or (d) to proceed with design and construction of projects to meet requirements under the federal Americans with Disabilities Act.</p> <p>No later than March 1, 1995, the University of California shall provide the Legislative Analyst with a progress report showing (a) the identified savings by project and (b) the purpose for which the identified savings were used.</p> <p>No later than November 1, 1995, the University of California shall prepare a report showing (a) the identified savings by project and (b) the</p>	

Item	Amount
purpose for which the identified savings were used. This report shall be submitted to the Chair of the Joint Legislative Budget Committee and to the chairs of the fiscal committees in each house.	
6440-301-842—For capital outlay, University of California, payable from the Higher Education Capital Outlay Bond Fund of 1994.....	160,830,000
Schedule:	
Universitywide:	
(0.5A) 99.00.005-Minor Capital Improvements-Continuing Minor Program—Preliminary plans, working drawings, construction, and equipment	3,000,000
(0.5B) 99.00.005-Minor Capital Improvements-Disabled Access—Preliminary plans, working drawings, construction, and equipment	3,000,000
(0.7) 99.00.040-Underground Tank Corrections—Preliminary plans, working drawings, construction, and equipment	1,000,000
Berkeley Campus:	
(1) 99.01.095-Dwinelle Hall Expansion—Construction.....	10,175,000
(1.2) 99.01.100-Doe Library Seismic Corrections, Step 2—Construction	4,490,000
(1.3) 99.01.130-Hearst Memorial Mining Building Seismic and Program Improvements—Preliminary plans	1,490,000
Davis Campus:	
(2) 99.03.120-Environmental Design Building—Construction.....	16,362,000
(2.4) 99.03.130-Seismic Corrections, Phase 3—Construction	1,589,000
Irvine Campus:	
(3) 99.09.110-Humanities Fine Arts Facilities—Construction	16,371,000
(4) 99.09.135-Central Plant Chiller Step 3, and Seismic Improvements—Construction.....	6,625,000
(5) 99.09.150-Social Sciences Facilities Renovations and Seismic Improvements—Preliminary Plans...	467,000

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Los Angeles Campus:	
(6) 99.04.080-Law Library Addition and Related Improvements—Construction	12,456,000
(7) 99.04.085-Chemistry Biological Sciences-Young Hall South Renovation—Construction	11,900,000
(7.2) 99.04.090-Haines Hall Seismic Correction—Working drawings ..	880,000
(7.4) 99.04.100-Electrical Distribution System Expansion, Step 6A—Working drawings	260,000
(7.6) 99.04.115-Dentistry Building Seismic Corrections, Phase 1—Preliminary plans and working drawings	240,000
(7.8) 99.04.140-Kinsey Hall Seismic Corrections, Phase 1—Working drawings	125,000
Riverside Campus:	
(8) 99.05.075-Science Library—Construction	27,832,000
San Diego Campus:	
(9) 99.06.145-Bonner Hall Improvements—Construction	6,138,000
(10.1) 99.06.155-Vaughn Hall Replacement/Nierenberg Hall Annex Project—Working drawings and construction	2,555,000
(10.5) 99.06.160-Ritter Hall Seismic Corrections and Renovations—Preliminary plans	501,000
(10.7) 99.06.165-Seismic Corrections, Phase 3—Working drawings	46,000
(10.8) 99.06.165-Seismic Corrections, Phase 3—Working drawings and construction	915,000
(11) 99.06.170-Galbraith Hall Renovation—Preliminary Plans	369,000
(12) 99.06.210-UCSDMC North Annex Replacement Facility—Preliminary Plans	214,000
San Francisco Campus:	
(12.2) 99.02.955-Parnassus Fire Protection Water Supply System—Construction	1,700,000

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(12.6) 99.02.090-Electrical Distribution System Improvements, Phase 1—Preliminary plans	210,000
(13) 99.02.080-Compartmentalization Fire and Life Safety Improvements Phase 1—Construction.....	3,835,000
Santa Barbara Campus:	
(14) 99.08.050-Physical Sciences Renovations—Construction and Equipment.....	13,573,000
(15) 99.08.065-Humanities and Social Sciences Renovations and Seismic Corrections—Working Drawings.....	677,000
(15.5) 99.08.070-Water System Improvements—Preliminary plans and working drawings....	123,000
Santa Cruz Campus:	
(16) 99.07.070-Improvement to Arts Facilities—Construction	11,412,000
Agriculture and Natural Resources:	
(17) 99.10.035-Alternative Pest Control Quarantine and Containment Facilities for California—Working Drawings.....	300,000

Provisions:

2. Identified savings in funds encumbered from this general obligation bond fund for construction contracts for capital outlay projects, remaining after completion of a capital outlay project and upon resolution of all change orders and claims, may be used as follows: (a) to begin working drawings for a project for which preliminary plan funds have been appropriated and the plans have been approved by the State Public Works Board consistent with the scope and cost approved by the Legislature as adjusted for inflation only, (b) to proceed further with the underground tank corrections program, (c) to perform engineering evaluations on buildings that have been identified as potentially in need of seismic retrofitting, or (d) to proceed with design and construction of projects to meet requirements under the federal Americans with Disabilities Act.

No later than March 1, 1995, the University of California shall provide the Legislative Analyst

Item	Amount
<p>with a progress report showing the identified savings by project and the purpose for which the identified savings were used.</p> <p>No later than November 1, 1995, the University of California shall prepare a report showing the identified savings by project and the purpose for which the identified savings were used. This report shall be submitted to the chair of the Joint Legislative Budget Committee and to the chairs of the fiscal committees in each house.</p>	
<p>6440-490—Reappropriation, University of California. Notwithstanding any other provision of law, the balances, as of June 30, 1994, of the appropriations provided in the following citations, are reappropriated for the purposes and subject to the limitations unless otherwise specified, provided for in the appropriations and shall be available for encumbrance and expenditure until June 30, 1995:</p> <p>001—General Fund</p> <p>(1) Item 6440-001-001, Budget Act of 1993.</p> <p>Provisions:</p> <ol style="list-style-type: none"> 1. The reappropriated funds from Item 6440-001-001, Budget Act of 1993, shall be available for the general support of the University of California. 2. The University of California shall report to the Department of Finance and the Joint Legislative Budget Committee the amount of the balance, on June 30, 1994, of Item 6440-001-001 of the Budget Act of 1993, by September 30, 1994, and the expenditures made pursuant to this item by September 30, 1995. 3. The University of California shall return to the State Controller, state general funds appropriated in the Budget Act of 1993 in an amount equal to the General Fund portion of federal contract and grant overhead funds in excess of the 1993-94 fiscal year budgeted amount. <p>(2) Item 6440-003-001, Budget Act of 1993.</p>	
<p>6440-491—Reappropriation, University of California. The balances of the appropriations identified in the following citations are reappropriated for the purposes and subject to the limitations, unless otherwise specified, provided for in those appropriations.</p> <p>660—Public Building Construction Fund</p> <p>Item 6440-301-660, Budget Act of 1991</p> <p>Berkeley Campus</p>	

Item	Amount
(1) 99.01.085-Doe and Moffitt Libraries Addition and Seismic Improvements—Construction Los Angeles Campus	
(3) 99.04.060-Powell Library Seismic Renovation—Construction. 705—Higher Education Capital Outlay Bond Fund of 1992 Item 6440-301-705, Budget Act of 1993 Berkeley Campus	
(14) 99.01.140-Campus Water Distribution System Expansion, Step 2—Working drawings Irvine Campus	
(30) 99.09.125-Environmental Health and Safety Services Building—Working drawings	
6600-001-001—For support of Hastings College of the Law	11,854,000
Provisions:	
1. The appropriations made in this item are exempt from Section 31.00 of this act.	
2. Of the funds appropriated in this item, \$774,000 is for support of Program 40, Student Services, to provide financial aid to needy students attending Hastings College of the Law, according to the nationally accepted needs analysis methodology.	
3. Of the funds appropriated in this item, \$50,000 is for support of the Public Interest Career Assistance Program.	
6600-001-814—For support of Hastings College of the Law, for allocation by the State Controller in accordance with the provisions of Government Code Section 8880.5 as enacted by the voters in Proposition 37 at the November 1984 General Election, payable from the California State Lottery Education Fund.....	125,000
Provisions:	
1. All funds received pursuant to Proposition 37 that are allocable to the Hastings College of the Law pursuant to Section 8880.5 of the Government Code, and that are in excess of the amount appropriated in this item are hereby appropriated in augmentation of this item.	

Item	Amount
6600-490—Reappropriation, Hastings College of the Law. Notwithstanding any other provision of law, the balance, as of June 30, 1994, of the appropriation provided in the following citation is reappropriated and shall be available for encumbrance and expenditure until June 30, 1995:	
001—General Fund	
(1) Item 6600-001-001, Budget Act of 1993	
Provisions:	
1. The Hastings College of the Law shall report to the Department of Finance and the Joint Legislative Budget Committee the amount of the unencumbered balance, on June 30, 1994, of Item 6600-001-001 of the Budget Act of 1993, by September 30, 1994, and the expenditures made pursuant to this item by September 30, 1995.	
6610-001-001—For support of the California State University.....	1,508,902,000
Schedule:	
(a) Support.....	2,139,222,000
(b) Reimbursements.....	—67,254,000
(c) Amount payable from the Higher Education Fees and Income Fund (Item 6610-001-498)	—563,066,000
Provisions:	
1. The appropriations in this item are exempt from Section 31.00 of this act, except as otherwise provided by the applicable sections of the Government Code referred to in Section 31.00.	
4. Of the amount appropriated in this item, \$512,000 is available for transfer to the California State University and Colleges Special Projects Fund, pursuant to Section 25008.5 of the Public Resources Code, which allows state agencies to retain 50% of the financial benefits realized through energy savings projects.	
5. Of the amount appropriated in this item, \$5,770,000 is provided for payment of energy service contracts in connection with the issuance of Public Works Board Energy Efficiency Revenue Bonds.	
6. Of the amount appropriated in this item, \$350,000 is for transfer to the Affordable Student Housing Revolving Fund, for the purpose of subsidizing interest costs in connection with bond financing for construction of affordable student housing at the Fullerton and Hayward	

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campuses in accordance with Article 3 (commencing with Section 90085) of Chapter 8 of Part 55 of the Education Code.	
7. Of the funds appropriated by this item, \$5,000,000 shall be used to increase the number of full-time equivalent faculty in the 1994-95 fiscal year, as compared to the 1993-94 fiscal year.	
10. Since it is the intent of the Legislature in enacting this act that no qualified student be denied admission to the California State University (CSU) because of a budget deficiency caused by unanticipated additional enrollments, the Director of Finance may, following the adoption of a resolution by the Trustees of the CSU declaring an enrollment emergency, authorized the accelerated expenditure of amounts budgeted for the CSU, in the form of an agreement to seek a supplementary appropriation from the General Fund to the extent necessary to ensure that all qualified students can be admitted when the Director of Finance certifies that the systemwide enrollment of the CSU exceeds by 2 percent or more the enrollment upon which the budget for the university was based; provided, that no increased expenditure may exceed \$6,000,000 in the aggregate for both the University of California and the California State University or be authorized sooner than 30 days after notification in writing of the necessity therefor to the chair of the committee in each house that considers appropriations and the Chair of the Joint Legislative Budget Committee, or not sooner than such lesser time as the chair of that committee, or his or her designee, may in each instance determine.	
In the event that the systemwide enrollment of the CSU is under the budgeted enrollment by more than 2 percent, that excess shall be unallocated by the Director of Finance. Unallocated funds may be reallocated to preclude layoffs only after the Director of Finance has approved that action and shall not be authorized sooner than 30 days after notification in writing of the necessity therefor to the chair of the committee in each house that considers appropriations and the Chair of the Joint Legisla-	

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<p>tive Budget Committee, or not sooner than such lesser time as the chair of that committee, or his or her designee, may in each instance determine.</p> <p>For purposes of this provision, graduate enrollment of the CSU shall be excluded from all calculations.</p> <p>Due to the earthquake at Northridge, enrollment losses at CSU Northridge shall be excluded from all calculations for the purposes of this provision.</p>	
<p>6610-001-498—For support of the California State University, for payment to Item 6610-001-001, payable from the Higher Education Fees and Income, CSU Fund.....</p>	563,066,000
<p>Provisions:</p> <ol style="list-style-type: none"> 1. All funds received in the Higher Education Fees and Income, CSU Fund, that are in excess of the amount appropriated in this item are hereby appropriated in augmentation of this item. 	
<p>6610-001-660—For support of the California State University, payable from the Public Buildings Construction Fund from the sale of bonds, negotiable notes, or negotiable bond anticipation notes pursuant to the Government Code</p>	17,000,000
<p>Provisions:</p> <ol style="list-style-type: none"> 1. The funds appropriated by this item are for priority one deferred maintenance projects that would renew or replace existing capital assets and would have an anticipated useful life of at least 15 years. 2. The projects funded from this appropriation shall be identified in the university's annual report on deferred maintenance to the Legislature. 3. Notwithstanding subdivision (b) of Section 2.00 of this act, the funds appropriated by this item shall be available for expenditure until June 30, 1996. 	
<p>6610-001-842—For support of the California State University, payable from the 1994 Higher Education Capital Outlay Bond Fund</p>	5,000,000
<p>Provisions:</p> <ol style="list-style-type: none"> 1. The funds appropriated by this item are for the purpose of conducting asbestos surveys and removing or repairing regulation asbestos-containing materials classified as significantly 	

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damaged or damaged based on Asbestos Hazard Emergency Response Act (AHERA) protocol. Repair shall be defined as reducing the hazard as feasible through management in place, which includes operation and maintenance activities.	
2. Notwithstanding Section 2.00 of this act, the funds appropriated by this item shall be available for expenditure until June 30, 1997.	
6610-001-890—For support of the California State University, payable from the Federal Trust Fund.....	6,000,000
Provisions:	
1. All funds deposited in the Federal Trust Fund for the California State University for the purposes of this item and that are in excess of the amount appropriated in this item are hereby appropriated in augmentation of this item and are exempt from Section 28.00 of this act, pursuant to Education Code Section 89753(a).	
6610-002-001—For support of the California State University for transfer to and in augmentation of Item 6610-001-001, for the purpose of providing direct costs and administrative overhead expenses for the Assembly, Senate and Executive Fellows program and the Center for California Studies.....	1,809,000
Schedule:	
(a) Center for California Studies— Fellows Program.....	231,000
(b) Center for California Studies— Other	25,000
(c) Assembly Fellows	567,000
(d) Senate Fellows	567,000
(e) Executive Fellows.....	419,000
6610-003-001—For support of the California State University for transfer to and in augmentation of Item 6610-001-001, for payment of lease-purchase payments to be allocated upon order of the Director of Finance no sooner than necessary to allow the California State University to make the required lease-purchase payments.....	40,564,000
6610-301-660—For capital outlay, State Public Works Board, payable from the Public Buildings Construction Fund, from proceeds from the sale of bonds, negotiable notes, or negotiable bond anticipation notes for the construction of California State University instructional facilities pursuant to Government Code Section 15820.50 et seq.	11,870,000

Item	Amount
Schedule:	
California State University, Bakersfield:	
(1) 06.50.057-Library Remodel— Equipment	828,000
California State University, Long Beach:	
(2) 06.71.092-Renovate Applied Arts and Sciences, and Addition— Equipment	2,609,000
California State University, Northridge:	
(3) 06.82.068-Engineering Addition, Renovation, Asbestos Abatement, Phase II—Equipment	3,572,000
California State University, Sacramento:	
(4) 06.76.089-Student Service Center Remodel/Expansion—Equip- ment	505,000
California State University, San Bernardino:	
(5) 06.78.070-Health/Physical Educa- tion Classroom and Faculty Of- fice Complex—Equipment	2,359,000
California Polytechnic State University, San Luis Obispo:	
(6) 06.96.101-Performing Arts Cen- ter—Equipment	1,997,000
Provisions:	
1. In addition to the costs of construction, the State Public Works Board may authorize any addi- tional amounts necessary to pay the costs of fi- nancing, including interest during construction of the project, a reasonably required reserve fund, and the cost of issuance of permanent fi- nancing.	
6610-301-705—For capital outlay, California State Uni- versity, in those amounts identified pursuant to Provision 2, payable from the Higher Education Capital Outlay Bond Fund of 1992.	
Provisions:	
2. Identified savings in funds encumbered from this general obligation bond fund for construc- tion contracts for capital outlay projects, re- maining after completion of a capital outlay project and upon resolution of all change orders and claims, may be used: (a) to begin working drawings for a project for which preliminary plan funds have been appropriated and the plans have been approved by the State Public Works Board consistent with the scope and cost	

Item	Amount
<p>approved by the Legislature as adjusted for inflation only, (b) to proceed further with the underground tank corrections program, (c) to perform engineering evaluations on buildings that have been identified as potentially in need of seismic retrofitting, or (d) to proceed with design and construction of projects to meet requirements under the federal Americans with Disabilities Act.</p> <p>No later than March 1, 1995, the California State University shall provide the Legislative Analyst with a progress report showing the identified savings by project and the purpose for which the identified savings were used.</p> <p>No later than November 1, 1995, the California State University shall prepare a report showing the identified savings by project and the purpose for which the identified savings were used. This report shall be submitted to the Chair of the Joint Legislative Budget Committee and to the chairs of the fiscal committees in each house.</p> <p>6610-301-782—For capital outlay, California State University, in those amounts identified pursuant to Provision 1, payable from the Higher Education Capital Outlay Bond Fund of 1986.</p> <p>Provisions:</p> <ol style="list-style-type: none"> 1. Identified savings in funds encumbered from this general obligation bond fund for capitol outlay projects, remaining after completion of a capital outlay project and upon resolution for construction contracts of all change orders and claims, may be used: (a) to begin working drawings for a project for which preliminary plan funds have been appropriated and the plans have been approved by the State Public Works Board consistent with the scope and cost approved by the Legislature as adjusted for inflation only, (b) to proceed further with the underground tank corrections program, (c) to perform engineering evaluations on buildings that have been identified as potentially in need of seismic retrofitting, or (d) to proceed with design and construction of projects to meet requirements under the federal Americans With Disabilities Act. 	

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Amount

No later than March 1, 1995, the California State University shall provide the Legislative Analyst with a progress report showing the identified savings by project and the purpose for which the identified savings were used.

No later than November 1, 1995, the California State University shall prepare a report showing the identified savings by project and the purpose for which the identified savings were used. This report shall be submitted to the chair of the Joint Legislative Budget Committee and to the chairs of the fiscal committees in each house.

6610-301-785—For capital outlay, California State University, in those amounts identified pursuant to Provision 1, payable from the 1988 Higher Education Capital Outlay Bond Fund.

Provisions:

1. Identified savings in funds encumbered for construction contracts from this general obligation bond fund after completion of a capital outlay project, and upon resolution of all change orders and claims, may be used: (a) to begin working drawings for a capital outlay project for which preliminary plan funds have been appropriated and the plans have been approved by the State Public Works Board consistent with the scope and cost approved by the Legislature as adjusted for inflation only, (b) to proceed further with the underground tank corrections program, (c) to perform engineering evaluations on buildings that have been identified as potentially in need of seismic retrofitting, or (d) to proceed with design and construction of projects to meet requirements under the federal Americans with Disabilities Act.

No later than March 1, 1995, the California State University shall provide the Legislative Analyst with a progress report showing the identified savings by project and the purpose for which the identified savings were used.

No later than November 1, 1995, the California State University shall prepare a report showing the identified savings by project and the purpose for which the identified savings were used. This report shall be submitted to the Chair of the Joint Legislative Budget Committee and

Item	Amount
to the chairs of the fiscal committees in each house.	
6610-301-791—For capital outlay, California State University, payable from the Higher Education Capital Outlay Bond Fund of June 1990.	
Provisions:	
1. Identified savings in funds encumbered from this general obligation bond fund for construction contracts for capital outlay projects, remaining after completion of a capital outlay project and upon resolution of all change orders and claims, may be used: (a) to begin working drawings for a project for which preliminary plan funds have been appropriated and the plans have been approved by the State Public Works Board consistent with the scope and cost approved by the Legislature as adjusted for inflation only, (b) to proceed further with the underground tank corrections program, (c) to perform engineering evaluations on buildings that have been identified as potentially in need of seismic retrofitting, or (d) to proceed with design and construction of projects to meet requirements under the federal Americans with Disabilities Act.	
No later than March 1, 1995, the California State University shall provide the Legislative Analyst with a progress report showing the identified savings by project and the purpose for which the identified savings were used.	
No later than November 1, 1995, the California State University shall prepare a report showing the identified savings by project and the purpose for which the identified savings were used. This report shall be submitted to the chair of the Joint Legislative Budget Committee and to the chairs of the fiscal committees in each house.	
6610-301-842—For capital outlay, California State University, payable from the Higher Education Capital Outlay Bond Fund of 1994.....	125,449,000

Item	Amount
Schedule:	
Systemwide:	
(1) 06.48.313-Systemwide: Preliminary planning, cost benefit analyses and feasibility studies for selected 1994-95, and 1995-96, projects.....	1,000,000
(2) 06.48.314-Systemwide: Campus masterplanning and Architectural and Engineering Planning Studies	500,000
(3) 06.48.315-Minor Capital Outlay—Preliminary planning, working drawings, construction and equipment.....	14,000,000
(4) 06.48.321-Systemwide: Feasibility studies for energy retrofits—Preliminary planning.....	250,000
(5) 06.48.333-Systemwide: Campus utilities/telecommunications infrastructure masterplanning—Preliminary planning.....	6,000,000
Systemwide Seismic Safety Action Plan:	
(9) 06.48.354-San Bernardino-Pfau Library—Construction (Phase I)	2,168,000
(10) 06.48.355-San Bernardino-Physical Education—Construction	560,000
(11) 06.48.364-Stanislaus-Science Building—Construction	1,446,000
Systemwide:	
(12) 06.48.370-Underground Tank Assessment and Removal Program—Preliminary planning, working drawings and construction	2,000,000
California State University, Bakersfield:	
(13) 06.50.058-Business and Public Administration Building—Preliminary plans and working drawings	473,000
California State University, Chico:	
(14) 06.52.098-Air Conditioning Upgrade Computer Center—Working drawings	29,000
(15) 06.52.100-Correct Fire Code Violations, Phase II—Preliminary plans and working drawings	106,000

Item	Amount
California State University, Fresno:	
(16) 06.56.083-Renovation/Upgrade High Voltage Distribution system—Working drawings and construction	1,550,000
California State University, Hayward:	
(17) 06.64.073-Science Building Renovation—Working drawings	341,000
(18) 06.64.074-Renovate/Upgrade Library Chiller/Motor Control—Working drawings	24,000
Humboldt State University:	
(19) 06.67.086-Science Building and Laboratory Renovation—Equipment	86,000
(20) 06.67.089-Renovate/Upgrade Ventilation/Creative Arts—Working drawings	48,000
California State University, Long Beach	
(20.5) 06.71.102-Petersen Hall Addition—Preliminary plans and working drawings	1,275,000
California State University, Los Angeles:	
(21) 06.73.083-Thermal Energy Storage/Upgrade Electrical System—Construction	5,497,000
(22) 06.73.085-Renovate/Upgrade Sewerline/Water Distribution System—Working drawings and Construction	1,780,000
California State University, Northridge:	
(23) 06.82.073-Central Plant and Utilities Infrastructure I and II—Construction	21,634,000
California State Polytechnic University, Pomona:	
(24) 06.98.094-Renovate/Upgrade HVAC Systems Library and Arts Building—Working drawings	20,000
California State University, Sacramento:	
(25) 06.76.091-Upgrade Central Utility System—Working drawings ..	33,000
California State University, San Bernardino:	
(26) 06.78.069-Visual Arts Building—Equipment	2,639,000
(27) 06.78.082-Renovate/Upgrade Chiller/Central Plant—Working drawings and construction	902,000

Item	Amount
San Diego State University:	
(28) 06.80.144-Renovate/Upgrade HVAC systems/Music/Adams—Working drawings.....	63,000
San Francisco State University:	
(29) 06.84.060-Burke Education Building Remodel and Addition-Equipment.....	1,180,000
(30) 06.84.087-Corporation Yard—Construction	6,074,000
(31) 06.84.089-Central Plant and Utility Infrastructure—Construction	18,980,000
(32) 06.84.091-Seismic Rehabilitation, Administration Building—Construction.....	9,847,000
(33) 06.84.093-Renovate/Upgrade HVAC Creative Arts—Working drawings	45,000
San Jose State University:	
(34) 06.86.100-Renovate/Upgrade Electrical Infrastructure/Campuswide—Working drawings.....	31,000
California Polytechnic State University, San Luis Obispo:	
(35) 06.96.088-Dairy Science II—Equipment.....	823,000
(36) 06.96.089-Poultry Science Unit—Equipment.....	175,000
(37) 06.96.106-Upgrade Utilities, Heat and Water distribution—Construction.....	17,803,000
(37.1) 06.96.104-Upgrade HV Electrical I—Construction.....	6,015,000
Sonoma State University:	
(38) 06.90.076-Renovate/Upgrade Chiller/Central Plant—Working drawings	32,000
California State University, Stanislaus:	
(39) 06.92.055-Renovate/Upgrade Central Plant, Chiller and Cooling Tower—Working drawings ..	20,000
Provisions:	
2. Identified savings in funds encumbered for construction contracts from this general obligation bond fund after completion of a capital outlay project, and upon resolution of all change orders and claims, may be used: (a) to begin working	

Item	Amount
<p>drawings for a project for which preliminary plan funds have been appropriated and the plans have been approved by the State Public Works Board consistent with the scope and cost approved by the Legislature as adjusted for inflation only, (b) to proceed further with the underground tank corrections program, (c) to perform engineering evaluations on buildings that have been identified as potentially in need of seismic retrofitting, or (d) to proceed with design and construction of projects to meet requirements under the federal Americans with Disabilities Act.</p> <p>No later than March 1, 1995, the California State University shall provide the Legislative Analyst with a progress report showing the identified savings by project and the purpose for which the identified savings were used.</p> <p>No later than November 1, 1995, the California State University shall prepare a report showing the identified savings by project and the purpose for which the identified savings were used. This report shall be submitted to the chair of the Joint Legislative Budget Committee and to the chairs of the fiscal committees in each house.</p> <p>6610-490—Reappropriation, California State University. Notwithstanding any other provision of law, the balances of the appropriations provided in the following citations are reappropriated for the purposes and subject to the limitations, unless otherwise specified, provided for in the appropriations and shall be available for expenditure until June 30, 1996:</p> <p>001—General Fund</p> <p>(1) Item 6610-001-001, Budget Act of 1993.</p> <p>Provisions:</p> <ol style="list-style-type: none"> 1. The reappropriated funds from Item 6610-001-001, Budget Act of 1993, shall be available for the general support of the California State University. 2. The California State University shall report to the Department of Finance and the Joint Legislative Budget Committee the amount of the balance, on June 30, 1994, of Item 6610-001-001 of the Budget Act of 1993, by September 30, 1994, and the expenditures made pursuant to this 	

Item	Amount
<p>item by September 30, 1995, and September 30, 1996.</p> <p>(2) Item 6610-003-001, Budget Act of 1993.</p> <p>785—1988 Higher Education Capital Outlay Bond Fund</p> <p>(1) Item 6610-001-785, Budget Act of 1989, as reappropriated by Item 6610-490, Budget Act of 1992.</p> <p>6610-491—Reappropriation, California State University. The balances of the appropriations provided in the following citations are reappropriated for the purposes and subject to the limitations, unless otherwise specified, provided for in those appropriations.</p> <p>660—Public Building Construction Fund</p> <p>Item 6610-301-660, Budget Act of 1991</p> <p>California State University, Fresno:</p> <p>(3) 06.56.070-Education Building—Construction</p> <p>791—Higher Education Capital Outlay Bond Fund of June 1990</p> <p>Item 6610-301-791, Budget Act of 1990</p> <p>California State University, Sacramento:</p> <p>(38) 06.76.084-Correct Fire Marshal Deficiencies—Construction</p> <p>Item 6610-301-791, Budget Act of 1991</p> <p>California State University, Long Beach:</p> <p>(1.7) 06.71.093.901-Renovate/Upgrade HV Electrical System Infrastructure—Construction</p> <p>705—Higher Education Capital Outlay Bond Fund of 1992</p> <p>Item 6610-301-705, Budget Act of 1992</p> <p>Systemwide:</p> <p>(5) 06.48.323-Systemwide: Ventura Center Masterplan, Phase III—Preliminary planning</p> <p>Item 6610-301-705, Budget Act of 1993</p> <p>Systemwide:</p> <p>(7) 06.48.337-Systemwide: Boiler Retrofits—Preliminary planning, working drawings, construction, and equipment</p> <p>California State University, Los Angeles</p> <p>(18) 06.73.083-Thermal Energy Storage/Upgrade Electrical System—Construction</p> <p>6610-495—Reversion, California State University. As of June 30, 1994, \$2,448,517 of the unencumbered balance of the appropriation provided in the following citation shall revert to the Special Fund for Economic Uncertainties:</p>	

Item	Amount
375—Disaster Response-Emergency Operations Account	
(1) Chapter 1, First Extraordinary Session, Statutes of 1987, Section 2.	
6860-001-001—For support of California Maritime Academy.....	6,791,000
Schedule:	
(cx) 15-Support.....	11,215,000
(f) Reimbursements.....	-3,893,000
(g) Amount payable from the Federal Trust Fund (Item 6860-001-890) ..	-501,000
(h) Amount payable from California Maritime Academy Trust Fund, pursuant to Section 70038 of the Education Code	-30,000
Provisions:	
1. Of the funds appropriated by this item, \$422,000 shall be available for fuel oil purchases for the operation of the training ship, The Golden Bear. To the extent that federal funds become available for this purpose, the Director of Finance shall adjust and recapture any expenditures made pursuant to this item by an amount of up to \$422,000. The Director of Finance shall report these changes to the Joint Legislative Budget Committee.	
6860-001-814—For support, California Maritime Academy, for transfer to California Maritime Academy Trust Fund, for allocation by the State Controller in accordance with the provisions of Government Code Section 8880.5 as enacted by the voters in Proposition 37 at the November 1984 General Election, payable from the California State Lottery Education Fund.....	(47,000)
Provisions:	
1. All funds received pursuant to Proposition 37 that are allocable to the California Maritime Academy pursuant to Section 8880.5 of the Government Code, and that are in excess of the amount appropriated in this item, are hereby appropriated in augmentation of this item.	
6860-001-890—For support of California Maritime Academy, for payment to Item 6860-001-001, payable from the Federal Trust Fund.....	501,000
Provisions:	
1. All funds deposited in the Federal Trust Fund for the California Maritime Academy for the	

Item	Amount
purchase of fuel oil and that are in excess of the amount appropriated in this item are hereby appropriated in augmentation of this item and are exempt from Section 28.00 of this act.	
6860-301-705—For capital outlay, California Maritime Academy, payable from the Higher Education Capital Outlay Bond Fund of 1992	5,563,000
Schedule:	
(1) 70.68.002—Pier Replacement Construction	5,024,000
(2) 70.68.003—Utility Infrastructure Preliminary Plans and Working Drawings.....	240,000
(3) 70.68.004—Laboratory Addition/Library Addition—Preliminary Plans and Working Drawings.....	299,000
6860-490—Reappropriation, California Maritime Academy. Notwithstanding any other provision of law, the balance, as of June 30, 1993, of the appropriation provided in the following citation is reappropriated and shall be available for encumbrance and expenditure until June 30, 1995:	
001—General Fund	
(1) Item 6860-001-001, Budget Act of 1993.	
Provisions:	
1. The California Maritime Academy shall report to the Department of Finance and the Joint Legislative Budget Committee the amount of the unencumbered balance, on June 30, 1994, of Item 6860-001-001 of the Budget Act of 1993, by September 30, 1994, and the expenditures made pursuant to this item by September 30, 1995.	
6870-001-001—For support of Board of Governors of the California Community Colleges.....	8,252,000
Schedule:	
(a) 10-Apportionments	1,025,000
(b) 20-Special Services and Operations.....	11,289,000
(c) 30.01-Administration	4,088,000
(d) 30.02-Administration—Distributed	-4,088,000
(e) Reimbursements.....	-4,062,000
Provisions:	
1. Funds appropriated in this item may be expended or encumbered to make one or more payments under a personal services contract of a visiting educator pursuant to Section 19050.8 of	

Item	Amount
<p>the Government Code, a long-term special consultant services contract, or an employment contract between an entity that is not a state agency and a person who is under the direct or daily supervision of a state agency, only if all of the following conditions are met:</p>	
<p>(a) The person providing service under the contract provides full financial disclosure to the Fair Political Practices Commission in accordance with the rules and regulations of the commission.</p>	
<p>(b) The service provided under the contract does not result in the displacement of any represented civil service employee.</p>	
<p>(c) The rate of compensation for salary and health benefits for the person providing service under the contract does not exceed by more than 10 percent the current rate of compensation for salary and health benefits determined by the Department of Personnel Administration for civil service personnel in a comparable position. The payment of any other compensation or any reimbursement for travel or per diem expenses shall be in accordance with the State Administrative Manual and the rules and regulations of the Department of Personnel Administration.</p>	
<p>2. Of the funds appropriated in Schedule (b), the Director of Finance may redirect up to \$125,000, pursuant to the process set forth in Section 28.00 of this act, including the notification required by subdivision (c) of that section, to fund planning for participation by the state under the federal Reemployment Act of 1994, including planning for the development of One-Stop Career Centers.</p>	
<p>6870-001-791—For support of Board of Governors of the California Community Colleges, Program 20.40.010—Facilities Planning, payable from the June 1990 Higher Education Capital Outlay Bond Fund.....</p>	892,000
<p>6870-001-890—For support of Board of Governors of the California Community Colleges, payable from the Federal Trust Fund</p>	123,000

Item	Amount
Schedule:	
(a) Program 20.30.050-Economic Development.....	123,000
6870-002-001—For support of the Board of Governors of the California Community Colleges, Program 20-Special Services and Operations	765,000
Provisions:	
1. The funds appropriated by this item shall not be expended or encumbered until the California Postsecondary Education Commission certifies to the Controller, on or after February 15, 1995, that the Office of the Chancellor of the California Community Colleges is adhering to the intent of the Legislature that overview and site evaluation occur as appropriate to maintain the program and fiscal integrity of categorical programs and programs mandated under Chapter 973 of the Statutes of 1988.	
6870-101-001—For local assistance, Board of Governors of the California Community Colleges (Proposition 98)	1,085,300,000
Schedule:	
(a) 10.10.010-Appportionments	886,651,000
(b) 10.10.020-Basic Skills, GAIN, Apprenticeship	33,999,000
(c) 20.10.005-Student Financial Aid Administration	5,236,000
(d) 20.10.010-Extended Opportunity Programs and Services and Special Services	43,428,000
(e) 20.10.020-Disabled Students.....	36,095,000
(f) 20.10.070-Matriculation	43,138,000
(g) 20.20.020-Academic Senate for the Community Colleges.....	452,000
(h) 20.20.040-Faculty and Staff Diversity	1,859,000
(i) 20.30.010-Faculty and Staff Development	5,233,000
(j) 20.30.020-Instructional Improvement, for Transfer to the Community College Fund for Instructional Improvement	736,000
(k) 20.30.050-Economic Development	6,973,000
(l) 20.30.070-Transfer Education and Articulation	1,843,000
(m) 20.30.090-Underrepresented Students	220,000

Item	Amount
(mx) 20.40.030-Instructional Equip- ment	2,400,000
(n) 20.40.040-Hazardous Substances ...	8,000,000
(o) 20.10.060-Foster Parent Training Program	337,000
(p) 20.40.020-Deferred Maintenance..	8,700,000
Provisions:	
1. The funds appropriated in Schedules (a), (b), (c), (d), (e), (f), (h), (i), and (k) are for transfer by the Controller during the 1994-95 fiscal year to Section B of the State School Fund.	
2. (a) Notwithstanding any other provision of law, the Chancellor of the California Community Colleges shall reduce base apportionments by a total of \$15,181,000 to reflect funding that has not been provided in Schedule (a) of this item. This base adjustment is related to an estimate of one-third of systemwide attrition resulting from the differential fee of \$50 per unit authorized in January of 1993 for students having bachelor's or graduate degrees. These base apportionment adjustments shall be made to each district in the same proportion, and the FTES obligation also shall be reduced proportionally. This provision shall not be construed to further reduce the amount available for expenditure contained in Schedule (a) of this item.	
(b) Of the funds appropriated in Schedule (a), \$31,483,000 shall be allocated for growth in FTES, on a district-by-district basis, as determined by the Chancellor of the California Community Colleges.	
2.5. Notwithstanding any other provision of law, \$22,000,000 of the funds appropriated in Schedule (b) shall be for allocation to community college districts in the 1994-95 fiscal year for the purposes of funding FTES in courses in basic skills, including English-as-a-second-language courses and workforce preparation courses for newly legalized immigrants, to the extent the total FTES claimed by a district for the 1994-95 fiscal year exceeds the level of total FTES funded for that district in the 1994-95 fiscal year. The Chancellor of the California	

Item	Amount
<p>Community Colleges shall develop criteria for allocating these funds.</p> <p>3. (a) Of the amount appropriated in Schedule (b), up to \$6,999,000 shall be available as necessary upon certification by the Chancellor of the California Community Colleges for the purpose of funding community college related and supplemental instruction pursuant to Section 3074 of the Labor Code as provided in Section 8152 of the Education Code. No community college district shall use funds available under this provision to offer any new or expansion of apprenticeship training program(s) unless that program(s) has been approved by the chancellor.</p> <p>(b) Notwithstanding Section 8152 of the Education Code, each 60-minute hour of teaching time devoted to each indentured apprentice enrolled in and attending classes of related and supplemental instruction as provided under Section 3074 of the Labor Code shall be reimbursed at the rate of four dollars and eleven cents (\$4.11) per hour. For purposes of this provision, each hour of teaching time may include up to 10 minutes for passing time and breaks.</p> <p>4. Of the funds appropriated in Schedule (b), \$5,000,000 is for educational services to participants in the Greater Avenues for Independence Program and shall not be considered as part of the base revenues for community college districts in computing apportionments for the 1995-96 fiscal year. The additional FTES generated above each district's funded FTES shall not be added to the subsequent year's FTES base, and the additional revenues and FTES shall not be included in calculations for determining the average revenues per FTES. To the extent the funds are not required for the 1994-95 fiscal year to meet the demand for this program, those funds shall be made available on a one-time basis for general apportionments under Schedule (a), subject to the condition that no such transfer shall occur prior to May 15, 1995.</p> <p>5. Of the funds appropriated in Schedule (a), \$400,000 is for allocation to Chabot College for</p>	

Item	Amount
<p>portable building leases for displaced academic programs until the remodeling of the Humanities Building is complete, and \$428,000 is for allocation to Los Angeles Southwest College for reimbursement of rental costs of portable classroom buildings.</p>	
<p>6. (a) The funds appropriated in Schedule (d) are exclusively for allocation to local assistance programs, notwithstanding Section 69648.5 of the Education Code.</p> <p>(b) Of the funds appropriated in Schedule (d), \$36,720,000 is for Extended Opportunity Programs and Services in accordance with Article 8 (commencing with Section 69640) of Chapter 2 of Part 42 of Division 5 of Title 3 of the Education Code; \$6,134,000 is for funding, at all colleges, the Cooperative Agencies Resources for Education program in accordance with Article 4 (commencing with Section 79150) of Chapter 9 of Part 48 of the Education Code; and \$574,000 is for the Puente Project if these funds are matched by \$100,000 of private funds and the participating community colleges and University of California campuses maintain their 1993-94 support level for the Puente Project. The Board of Governors shall allocate funds on a priority basis and to local programs on the basis of need for student services.</p>	
<p>7. (a) The funds appropriated in Schedule (e) are for local assistance for funding the excess direct instructional cost of providing special facilities, special education materials, educational assistance, mobility assistance, transportation, program accountability, program developmental services for handicapped students enrolled at community colleges, and for state hospital programs. The Chancellor shall allocate an amount not to exceed \$929,000 of the funds to districts for local assistance purposes for program development and program evaluation pursuant to Section 84850 of the Education Code. At least 15 days prior to allocation of these funds, the Chancellor shall submit an ex-</p>	

Item		Amount
	penditure plan to the Department of Finance.	
	(b) Of the amount appropriated in Schedule (e), at least \$583,000 shall be used for support of the High Tech Centers for activities including, but not limited to, training of district employees and students in the use of specialized computer equipment for the disabled.	
	(c) Of the amount appropriated in Schedule (e), \$800,000 shall be used for staff costs at campus High Tech Centers to be selected by the Chancellor.	
	(d) Of the amount appropriated in Schedule (e), \$577,500 shall be used, with 50 percent matching funds, to establish High Tech Centers at colleges that currently do not have one. Also, \$622,500 shall be available for grants of up to \$7,500 to be used to augment staff and/or equipment at existing High Tech Centers. Those colleges with High Tech Centers in the 1993-94 fiscal year that receive these funds shall not supplant existing resources provided to the centers.	
	(e) Notwithstanding any other provision of law, of the funds appropriated in Schedule (e), \$1,311,000 shall be for state hospital adult education programs at the hospitals served by the Coast, Kern and West Valley Community College Districts since the 1986-87 fiscal year. The amount provided includes the level of funding provided for these state hospital programs in the 1986-87 fiscal year, plus subsequent cost-of-living adjustments if provided. If adult education services at any of the three hospitals are not supported by the community colleges in the 1994-95 fiscal year, the associated funds shall, upon order of the Department of Finance, after 30 days' notice to the Chairperson of the Joint Legislative Budget Committee, be transferred to the Department of Developmental Services (DDS). For any transfer of funds to DDS during the 1994-95 fiscal year, the Proposition 98 base funding levels for	

Item	Amount
	community colleges and DDS shall be adjusted accordingly.
8.	The funds appropriated in Schedule (f) are for the purpose of student matriculation, as specified in Article 1 (commencing with Section 78210) of Chapter 2 of Part 48 of the Education Code.
9.	Of the funds appropriated in Schedule (l), \$589,000 is for Project ASSIST; \$310,000 is for Middle Colleges Program; \$165,000 is for Joint Faculty Projects; \$489,000 is for the establishment of Mathematics, Engineering and Science Achievement/Minority Engineering (MESA/MEP) Programs at three community college sites; and \$290,000 is for Migrant Education Teacher Preparation Programs at five community colleges.
10.	The funds appropriated in Schedule (p) shall be distributed by the chancellor's office to the districts on a project-by-project basis based on priority of need for the project. Pursuant to Section 84661 of the Education Code, districts shall provide matching funds, unless the Board of Governors waives this requirement in accordance with law.
13.	Of the funds appropriated in Schedule (a), up to \$875,618 is for educational services to inmates pursuant to regulations adopted by the Board of Governors; and an amount of up to \$100,000 is for a maintenance allowance, in lieu of other transportation funding, pursuant to regulations adopted by the Board of Governors.
14.	Of the funds appropriated in Schedules (b) and (c), the funds not required for the 1994-95 fiscal year to meet the demand for the programs funded under those schedules shall be made available on a one-time basis for general apportionment under Schedule (a), provided that no transfer shall occur prior to May 15, 1995.
15.	The funds appropriated in Schedule (mx) are available on a one-time basis, for the purpose of providing community college districts with funds to replace instructional equipment and to purchase library materials. The Chancellor of the California Community Colleges shall al-

Item		Amount
	locate these funds on the basis that, for every \$3 of funds allocated from Schedule (mx), the recipient district shall provide \$1 in matching funds. The funds appropriated in Schedule (mx) shall not be used for personal services costs or operating expenses.	
16.	The state-funded FTES level shall not be reduced for the 1994-95 fiscal year to reflect the lack of a cost-of-living adjustment (COLA).	
17.	The state-funded FTES level may be adjusted to reflect (a) fee and property tax revenue shortfalls, if any, as compared to the level assumed in this act, (b) the equalization mechanism allowed by Chapter 973 of the Statutes of 1988 for declining enrollments, or (c) natural disasters or other factors that are outside the control of the California Community Colleges.	
18.	Of the funds appropriated in Schedule (b), the Director of Finance may redirect up to \$125,000, pursuant to the process set forth in Section 28.00, including the notification required by subdivision (c) of that section, to fund planning for participation by the state under the federal Reemployment Act of 1994, including planning for the development of One-Stop Career Centers.	
19.	It is the intent of the Legislature that the cost savings to the California Community Colleges resulting from the reduction in the Public Employees Retirement System (PERS) rate for employees, funded from the general apportionments in Schedule (a), will be \$14,500,000. The Chancellor is directed to apply this reduction to the community college districts in a uniform amount proportional to each district's PERS contribution, excluding districts that do not participate in PERS. It is further the intent of the Legislature that \$10,400,000 of this reduction not be deemed a base revenue reduction pursuant to Section 58772 of Title 5 of the California Code of Regulations. It is further the intent of the Legislature that, of this reduction, \$4,100,000 shall be a permanent base revenue reduction pursuant to Section 58772 of Title 5 of the California Code of Regulations, but that the revenue reduction not result in a reduction of FTES requirements.	

Item	Amount
6870-101-705—For local assistance, Board of Governors of the California Community Colleges for Program 20.40.040—Hazardous Substances, payable from the Higher Education Capital Outlay Bond Fund of June 1992	5,000,000
Provisions:	
1. The amount appropriated in this item is for the purpose of abating asbestos hazards which have been categorized as “severe”.	
6870-101-814—For local assistance, Board of Governors of the California Community Colleges, for allocation by the State Controller in accordance with the provisions of Government Code Section 8880.5 as enacted by the voters in Proposition 37 at the November 1984 general election, payable from the California State Lottery Education Fund.....	92,312,000
Provisions:	
1. All funds received pursuant to Proposition 37 that are allocable to community college districts pursuant to Section 8880.5 of the Government Code, and that are in excess of the amount appropriated in this item, are hereby appropriated in augmentation of this item.	
6870-101-890—For local assistance, Board of Governors of the California Community Colleges, for payment to Item 6870-101-925, payable from the Federal Trust Fund	2,900,000
6870-101-909—For local assistance, Board of Governors of the California Community Colleges Program 20.30.020—Instructional Improvement and Innovation, payable from the Community College Fund for Instructional Improvement.....	1,081,000
Provisions:	
1. Of the amount appropriated by this item, not more than \$736,000 shall be allocated for grants and not more than \$345,000 shall be allocated for loans.	
6870-101-925—For local assistance, Board of Governors of the California Community Colleges, payable from the Business Resources Assistance and Innovation Network Trust Fund.....	0
Schedule:	
(a) Program 20.30.050-Economic Development	3,640,000
(b) Reimbursements.....	-740,000
(c) Amount payable from the Federal Trust Fund (Item 6870-101-890) ..	-2,900,000

Item	Amount
6870-101-959—For local assistance, Board of Governors of the California Community Colleges, for Program 20.10.060-Student Services-Foster Parent Training Program, payable from the Foster Children and Parent Training Fund pursuant to Section 903.7 of the Welfare and Institutions Code....	332,000
Provisions:	
1. Notwithstanding subdivision (c) of Section 903.7 of the Welfare and Institutions Code, federal Title IV (e) funds received as reimbursements for the Foster Parent Training Program shall be deposited into the Foster Children and Parent Training Fund.	
6870-103-001—For local assistance, Board of Governors of the California Community Colleges (Proposition 98), for transfer to and in augmentation of Item 6870-101-001, for lease-purchase payments to be allocated upon order of the Department of Finance no sooner than necessary to allow selected community colleges to make the required lease-purchase payments.....	17,275,000
6870-111-001—For local assistance, Board of Governors of the California Community Colleges.....	0
Schedule:	
(a) 10-Apportionments	8,000,000
(b) 20.10.060-Foster Parent Training	352,000
(c) 20.30.030-Vocational Education Special Projects	5,835,000
(d) 20.30.031-Vocational Education Allocations.....	27,468,000
(e) 20.30.032-Gender Equity	4,924,000
(f) 20.30.033-Technical Preparation Education.....	7,772,000
(g) 20.30.060-Job Training Partnership Act.....	2,337,000
(h) Reimbursements.....	- 56,688,000
Provisions:	
1. The amounts appropriated in Schedules (c), (d), (e), (f) and (g) shall be available for expenditure until June 30, 1996.	
2. The amounts appropriated in Schedules (a), (c), (d), (e) and (f) are for transfer by the State Controller to Section B of the State School Fund.	

Item	Amount
6870-301-660—For capital outlay, State Public Works Board, payable for the Public Buildings Construction Fund, from proceeds from the sale of bonds, negotiable notes, or negotiable bond anticipation notes for the construction of instructional facilities pursuant to Chapter 3.8 (commencing with Section 15820.50) of Part 10b of Division 3 of Title 2 of the Government Code.....	14,921,000
Schedule:	
Cabrillo Community College District	
Cabrillo College	
(1) 40.06.104-Learning Resource Center—Equipment	1,958,000
Lake Tahoe Community College District	
Lake Tahoe Community College	
(2) 40.23.109-Instructional/ Administrative Facility—Equipment.....	727,000
Los Angeles Community College District	
East Los Angeles College	
(3) 40.26.101-Vocational Building—Equipment.....	910,000
Los Angeles Mission College	
(4) 40.26.402-Learning Resource Center Equipment—Equipment	2,381,000
Los Rios Community College District	
Cosumnes River College	
(5) 40.27.204-Fine Arts Building—Equipment.....	927,000
Riverside Community College District	
Moreno Valley Center	
(6) 40.44.205-Building, Phase II—Equipment.....	1,291,000
Norco Center	
(7) 40.44.305-Building, Phase II—Equipment.....	1,182,000
San Francisco Community College District	
San Francisco City College	
(8) 40.48.103-Library Building—Equipment.....	2,500,000
State Center Community College District	
Fresno City College	
(9) 40.64.101-Allied Health/Public Services Complex—Equipment...	570,000
(10) 40.64.102-Library/Media Addition—Equipment	1,219,000

Item	Amount
Victor Valley Community College District	
Victor Valley Community College	
(11) 40.66.105-Learning Resource Center—Equipment.....	1,256,000
6870-301-842—For capital outlay, Board of Governors of the California Community Colleges, to be allocated by the Board of Governors to community college districts for expenditure as set forth in the schedule below, payable from the Higher Education Capital Outlay Bond Fund of 1994	186,878,000
Schedule:	
Allan Hancock Joint Community College District	
Lompoc Valley Center	
(1) 40.02.200-Off-Site Development—Construction	1,646,000
(2) 40.02.201-On-Site Development—Construction	5,338,000
(3) 40.02.202-Phase I, Facilities—Construction	10,685,000
Antelope Valley Community College District	
Antelope Valley College	
(3.1) 40.03.103-Acquisition of Library Materials—Equipment.....	405,000
(3.2) 40.03.107-Site Safety Improvements—Construction.....	2,771,000
(4) 40.03.110-Architectural Barrier Removal, Phase I—Construction..	653,000
Cabrillo Community College District	
Cabrillo College	
(7) 40.06.105-Photography Laboratory—Equipment.....	344,000
(8) 40.06.106-Architectural Barrier Removal, Phase B—Construction.	3,130,000
(8.1) 40.06.107-Code Compliance: Health and Safety Access—Preliminary plans and working drawings.....	397,000
(8.2) 40.06.109-Fire Alarm System Renovation/Upgrade—Construction	477,000
Cerritos Community College District	
Cerritos College	
(9) 40.07.110-Learning Resource Center Secondary Effects—Preliminary plans and working drawings	281,000

Item	Amount
Chabot-Las Positas Community College District	
Chabot College	
(10) 40.62.104-Humanities Building Remodel—Equipment.....	2,351,000
(10.1) 40.62.106-Secondary Effects, Print Shop/Facility Remodel—Equipment	149,000
(11) 40.62.107-Engineering Remodel/Addition—Equipment	1,904,000
(12) 40.62.109-Emergency Medical Services Remodel/Addition—Equipment.....	394,000
(13) 40.62.110-Music Skills Center—Equipment.....	318,000
(14) 40.62.111-Disabled Student Center Renovation—Construction....	678,000
(14.1) 40.62.112-Chemistry/Computer Science Renovation (Health and Safety)—Preliminary plans and working drawings	484,000
Las Positas College	
(15) 40.62.204-Site Development-Infrastructure—Construction	13,805,000
(16) 40.62.205-Science Center, Phase I—Equipment	1,632,000
(17) 40.62.211-Secondary Effects-Science Center/Technical/Fine Arts—Preliminary plans and working drawings.....	74,000
Citrus Community College District	
Citrus College	
(17.1) 40.09.116-Physical Science Code Corrections (Health and Safety)—Construction and equipment.....	2,717,000
(17.2) 40.09.117-Regional Adaptive Physical Therapy Facility—Preliminary plans and working drawings.....	133,000
(17.3) 40.09.119-Cosmetology Addition/Remodel (Health and Safety)—Preliminary plans and working drawings.....	140,000

Item	Amount
Coast Community College District	
Orange Coast College	
(17.4) 40.11.307-Maintenance Building (Health and Safety)—Preliminary plans and working drawings.....	112,000
Compton Community College District	
Compton Community College	
(18) 40.12.001-Health & Safety-Vocational/Technical Center—Construction.....	13,634,000
(19) 40.12.004-Health & Safety-Math/Science—Preliminary plans and working drawings	639,000
Contra Costa Community College District	
Contra Costa College	
(20) 40.13.104-Remodeling of Vocational Education—Equipment....	264,000
Diablo Valley College	
(21) 40.13.210-Classroom/Faculty Offices—Construction	3,160,000
El Camino Community College District	
El Camino College	
(22) 40.14.106-Library Renovation, Phase II—Preliminary plans, working drawings, and construction	2,528,000
Feather River Community College District	
Feather River College	
(22.1) 40.73.102-Correction of Code Deficiencies—Construction.....	687,000
Foothill-DeAnza Community College District	
DeAnza College	
(23) 40.15.103-Secondary Effects, Computer Electronics—Construction.....	1,146,000
Foothill College	
(25) 40.15.203-Child Care/Development Center (Health & Safety)—Preliminary plans and working drawings.....	198,000
Fremont-Newark Community College District	
Ohlone College	
(25.1) 40.16.107-Site Safety Improvements—Construction	8,756,000

Item	Amount
Gavilan Joint Community College District	
Gavilan College	
(26) 40.17.102-Library/Media Addition—Equipment	721,000
Glendale Community College District	
Glendale Community College	
(27) 40.18.117-Aviation/Arts Building Addition—Construction.....	615,000
(28) 40.18.118-Fire Protection/Utility System Upgrade—Preliminary plans and working drawings	215,000
Grossmont-Cuyamaca Community College District	
Districtwide	
(28.1) 40.19.001-Architectural Barrier Removal, Phase I—Construction.....	275,000
Grossmont College	
(29) 40.19.202-Information System Building—Construction.....	461,000
(29.1) 40.19.203-Architectural Barrier Removal, Phase I—Construction.....	273,000
(30) 40.19.204-Drama Laboratory Remodel—Equipment.....	116,000
Kern Community College District	
Bakersfield College	
(31) 40.22.106-Remodel for Electronics—Equipment.....	206,000
(32) 40.22.108-Science & Engineering Code Corrections—Preliminary plans and working drawings	222,000
Lassen Community College District	
Lassen College	
(33.1) 40.24.102-Architectural Barrier Removal, Phase I—Construction.....	1,036,000
Long Beach Community College District	
Long Beach City College	
(34) 40.25.106-Art Building Remodel/Addition—Equipment.....	372,000
(34.1) 40.25.109-Architectural Barrier Removal, (PCC), Phase I—Construction.....	818,000

Item	Amount
Los Angeles Community College District	
East Los Angeles College	
(36) 40.26.103-Child Care/Development Center (Health & Safety)—Preliminary plans and working drawings.....	268,000
(36.1) 40.26.104-Architectural Barrier Removal, Phase I—Construction.....	2,277,000
Los Angeles City College	
(36.2) 40.26.202-Architectural Barrier Removal, Phase I—Construction.....	2,960,000
(37) 40.26.203-Mechanical System Conversion—Preliminary plans and working drawings.....	98,000
Los Angeles Harbor College	
(37.1) 40.26.300-Architectural Barrier Removal, Phase I—Construction.....	2,291,000
Los Angeles Mission College	
(38.1) 40.26.406-Architectural Barrier Removal, Phase I—Construction.....	273,000
Los Angeles Pierce College	
(38.2) 40.26.500-Architectural Barrier Removal—Construction.....	2,956,000
Los Angeles Southwest College	
(39) 40.26.605-Architectural Barrier Removal, Phase I—Construction	1,080,000
Los Angeles Trade-Technical College	
(40) 40.26.700-Architectural Barrier Removal, Phase I—Construction	1,538,000
Los Angeles Valley College	
(41) 40.26.800-Architectural Barrier Removal, Phase I—Construction	2,156,000
(42) 40.26.801-Ventilation System—Preliminary plans and working drawings	149,000
West Los Angeles College	
(43) 40.26.903-Fine Arts Building—Construction	8,255,000
(44) 40.26.904-Architectural Barrier Removal, Phase I—Construction	1,649,000

Item	Amount
Los Rios Community College District Cosumnes River College	
(45) 40.27.206-Animal Health Complex Remodel/Expansion—Preliminary plans, working drawings and construction	619,000
Marin Community College District College of Marin	
(46) 40.28.207-Architectural Barrier Removal—Construction.....	2,464,000
Merced Community College District Merced College	
(47) 40.30.105-Architectural Barrier Removal—Construction.....	906,000
(47.1) 40.30.106-Infrastructure Corrections—Construction	5,486,000
(48) 40.30.112-Communications Building Renovation—Construction ...	909,000
Mira Costa Community College District Mira Costa College	
(49) 40.31.104-Building G & H Conversion, Secondary Effects—Construction	1,312,000
Mt. San Jacinto Community College District Mt. San Jacinto College	
(50) 40.34.104-Music Building—Equipment.....	166,000
(51) 40.34.110-Site Safety Improvements—Preliminary plans and working drawings.....	663,000
Menifee Valley Center	
(52) 40.34.206-Allied Health Building—Equipment.....	297,000
(53) 40.34.207-Fine Arts/Classroom Building—Equipment	448,000
North Orange County Community College District Districtwide	
(54) 40.36.301-Architectural Barrier Removal—Construction.....	1,140,000
Palomar Community College District Palomar College	
(55) 40.38.105-Math/Engineering Facility Remodel—Equipment	50,000
(56) 40.38.106-Art Facility Addition/Remodel—Equipment.....	48,000

Item	Amount
(57) 40.38.107-Music Facility Remodel —Equipment	44,000
(57.1) 40.38.108-Communications Facility Remodel—Equipment	916,000
(58.1) 40.38.110-Infrastructure Code Compliance (Health and Safety)—Preliminary plans and working drawings.....	895,000
Pasadena Area Community College District	
Pasadena City College	
(59) 40.39.110-Library Secondary Effects—Construction.....	6,080,000
(60) 40.39.111-Health & Safety Physical Education—Construction.....	13,931,000
(61) 40.39.113-Physical Education & Maintenance Facilities, Secondary Effects—Preliminary plans and working drawings.....	367,000
Peralta Community College District	
Alameda College	
(62) 40.40.101-Conversion of Space—Construction	1,485,000
Laney College	
(63) 40.40.302-Architectural Barrier Removal, Phase I—Construction	1,507,000
Merritt College	
(64) 40.40.405-Architectural Barrier Removal, Phase I—Construction	2,419,000
District Center	
(65) 40.40.603-Physical Plant Relocation, Seismic Risk—Preliminary plans and working drawings	46,000
Rancho Santiago Community College District	
Rancho Santiago College	
(66) 40.41.115-Site Access—Preliminary plans and working drawings	57,000
Redwoods Community College District	
College of the Redwoods	
(67) 40.42.103-Seismic Hazard Study, Phase III—Preliminary plans	428,000
Rio Hondo Community College District	
Rio Hondo College	
(67.1) 40.43.105-Science Building (Health and Safety)—Preliminary plans and working drawings.....	801,000

Item	Amount
Saddleback Community College District	
Saddleback College	
(70) 40.45.216-Architectural Barrier Removal, Phase I—Construction	1,038,000
San Bernardino Community College District	
San Bernardino College	
(71) 40.46.202-Seismic Hazard Study—Preliminary plans.....	350,000
San Francisco Community College District	
San Francisco City College	
(73) 40.48.107-So. Balboa Reservoir, Engineering Study—Preliminary plans and working drawings	81,000
San Jose-Evergreen Community College District	
Evergreen College	
(75) 40.50.102-Architectural Barrier Removal, Phase I—Construction	1,098,000
San Jose City College	
(76) 40.50.202-Architectural Barrier Removal—Construction.....	1,217,000
San Luis Obispo County Community College Dis- trict	
Cuesta College	
(77) 40.51.101-Allied Health Facili- ty—Equipment	279,000
(78) 40.51.105-Architectural Barrier Removal, Phase I—Construction	863,000
San Mateo Community College District	
Districtwide	
(79) 40.52.004-Seismic Upgrade—Pre- liminary plans and working drawings	250,000
Skyline College	
(80) 40.52.303-Learning Resource Center—Equipment.....	2,003,000
(81) 40.52.305-Secondary Effects, Learning Resource Center— Preliminary plans and working drawings	170,000
Santa Barbara Community College District	
Santa Barbara City College	
(82) 40.53.115-Business/Communica- tions, Secondary Effects—Pre- liminary plans and working drawings	2,188,000

Item	Amount
(83) 40.53.118-Life Science/Geology Code Corrections—Preliminary plans and working drawings	199,000
Santa Clarita Community College District College of The Canyons	
(84) 40.54.103-Library—Equipment ...	682,000
(85) 40.54.104-Fine/Applied Arts Building—Equipment	1,457,000
(85.1) 40.54.108-Fire Safety Access and Utility Upgrade—Con- struction	3,474,000
(86) 40.54.109-Remodel Old Library & Laboratories, Secondary Ef- fects—Preliminary plans and working drawings.....	340,000
Santa Monica Community College District Santa Monica College	
(87) 40.55.103-Remodel Technology Building, Second Floor—Prelim- inary plans, working drawings and construction	2,738,000
Sequoias Community College District College of the Sequoias	
(88) 40.56.104-Fine Arts/Mathematics Building—Equipment	782,000
Sierra Joint Community College District Sierra College	
(89) 40.58.103-Home Economics Re- model/Addition—Equipment.....	128,000
Solano Community College District Solano College	
(90) 40.60.102-Child Care/Develop- ment Facility—Equipment.....	202,000
(91) 40.60.103-Instructional Building Remodel—Equipment.....	115,000
Sonoma County Junior College District Petaluma Center	
(92) 40.61.202-Petaluma Center Books —Equipment	747,000
Santa Rosa Junior College	
(93) 40.61.102-Architectural Barrier Removal, Phase I—Construction	402,000

Item	Amount
Ventura Community College District	
Moorpark College	
(95.1) 40.65.104-Architectural Barrier Removal—Preliminary plans, working drawings, and con- struction	169,000
(96) 40.65.107-Math/Science, Second- ary Effects—Preliminary plans and working drawings.....	98,000
Oxnard College	
(97) 40.65.205-Letters & Science In- structional Facility—Equipment.	634,000
Ventura College	
(98) 40.65.303-Math & Science Com- plex, Secondary Effects—Prelim- inary plans and working draw- ings	95,000
Victor Valley Community College District	
Victor Valley Community College	
(100) 40.66.114-Old Library Remodel, Secondary Effects—Prelimi- nary plans and working draw- ings.....	144,000
West Hills Community College District	
Districtwide	
(101) 40.67.001-Architectural Barrier Removal, Phase I—Working drawings and construction.....	683,000
West Valley-Mission Community College District	
Mission College	
(102) 40.69.204-Architectural Barrier Removal, Phase I—Construc- tion.....	1,135,000
(102.1) 40.69.205-Learning Resource Center—Preliminary plans and working drawings	590,000
West Valley College	
(103) 40.69.103-Microcomputer Cen- ter, Remodel—Equipment.....	1,327,000
(104) 40.69.104-Architectural Barrier Removal, Phase I—Construc- tion.....	3,210,000
Yosemite Community College District	
Modesto Junior College	
(104.1) 40.70.204-Fire Training Cen- ter—Equipment	490,000

Item	Amount
Yuba Community College District	
Yuba College	
(105) 40.71.104-Applied Arts Remodel	
—Equipment.....	706,000
6870-490—Reappropriation, California Community Colleges. The balances of the appropriation provided for in the following citations are reappropriated for the purposes and subject to the limitations, unless otherwise specified, provided for in those appropriations:	
660—Public Building Construction Fund	
Item 6870-301-660, Budget Act of 1991	
Peralta Community College District	
District Center	
(24) 40.40.602-D.P. Warehouse/Seismic Upgrade	
—Construction and equipment	
Item 6870-301-660, Budget Act of 1993	
Foothill-DeAnza Community College District	
DeAnza College	
(3) 40.15.104-Learning Resource Center—Construction	
Glendale Community College District	
Glendale College	
(3.1) 40.18.114-Multiuse Laboratory Bldg.—Construction	
(4) 40.18.115-Classroom/Library Addition—Construction	
Los Angeles Community College District	
Los Angeles Southwest College	
(7) 40.26.604-Lecture Lab Building, Phase I—Construction	
Los Rios Community College District	
Sacramento City College	
(8.1) 40.27.306-Learning Resource Center—Construction	
San Diego Community College District	
Mesa College	
(8.7) 40.47.203-Learning Resource Center—Construction	
Sierra Community College District	
Sierra College	
(9.1) 40.58.104-Learning Resource Center—Construction	
State Center Community College District	
Fresno City College	
(10) 40.64.101-Allied Health/Public Services Complex—Construction	

Item	Amount
(11) 40.64.102-Library/Media Addition—Construction Victor Valley Community College District Victor Valley College	
(13) 40.66.105-Learning Resource Center—Construction	
(14) 40.66.107-New Science Building—Construction 705—Higher Education Capital Outlay Bond Fund of 1992 Item 6870-301-705, Budget Act of 1992 as reappropriated by Item 6870-490, Budget Act of 1993 Contra Costa Community College District Contra Costa College	
(30.1) 40.13.101-Architectural Barrier Removal—Construction Los Rios Community College District Placerville Center	
(63) 40.27.405-Road Improvements—Construction Marin Community College District College of Marin	
(66) 40.28.205-Communications Program Relocation—Construction San Bernardino Community College District Crafton Hills College	
(87) 40.46.104-Child Care/Development—Construction and equipment San Francisco Community College District City College of San Francisco	
(89) 40.48.102-Central Shops and Warehouse—Construction. Up to \$379,000 of the amount reappropriated for this project shall be available for costs associated with planning and working drawings resulting from the approved scope change dated December 9, 1993. Notwithstanding Section 13332.11 of the Government Code, the State Public Works Board shall authorize no augmentation of the funding reappropriated in this item. Item 6870-301-705, Budget Act of 1993 Chabot-Las Positas Community College District Las Positas College	
(16) 40.62.205-Science Center, Phase I—Construction	

Item	Amount
Citrus Community College District	
Citrus College	
(17) 40.09.103-Recording Arts Addition—Construction	
Contra Costa Community College District	
Contra Costa College	
(24) 40.13.104-Remodeling of Vocational Education—Construction	
Kern Community College District	
Cerro Coso College	
(36) 40.22.212-Architectural Barrier Removal—Construction	
Rio Hondo Community College District	
Rio Hondo College	
(54) 40.43.103-Architectural Barrier Removal—Construction	
Saddleback Community College District	
Irvine College	
(55) 40.45.124-Learning Resource Center—Construction	
San Mateo Community College District	
Districtwide	
(62) 40.52.002-Fire Alarm Renovation—Working drawings and construction	
College of San Mateo	
(64) 40.52.203-Colonnades/Seismic Upgrade Campuswide—Construction	
Santa Clarita Community College District	
College of the Canyons	
(67) 40.54.108-Fire Safety Access & Utility Upgrade—Working drawings	
Sequoias Community College District	
College of the Sequoias	
(68) 40.56.104-Fine Arts/Mathematics Building—Construction	
Sequoias Community College District	
College of the Sequoias	
(68.1) 40.56.107-Child Care/Development Center—Working drawings, construction, and equipment	
Victor Valley Community College District	
Victor Valley College	
(78) 40.66.106-Technology Building—Construction	
(79) 40.66.111-Central Plant/Utility System Upgrade—working drawings and construction	

Item	Amount
(80) 40.66.112-Elevator Tower/Architectural Barrier Removal—Construction Yosemite Community College District Modesto Junior College	
(82) 40.70.207-Architectural Barrier Removal—Construction Item 6870-301-791, Budget Act of 1991 Contra Costa Community College District Contra Costa College	
(9) 40.13.102-Hazardous Chemical Storage—Construction Peralta Community College District District Center	
(18) 40.40.601-Conroy Maintenance Station—Construction and equipment Saddleback Community College District Saddleback College	
(20) 40.25.211-Reclaimed Irrigation System—Construction	
6870-491—Reappropriation (Proposition 98), Board of the Governors of the California Community Colleges. The amount of \$3,000,000 is hereby reappropriated from any balances available for the Greater Avenues for Independence Program (GAIN) from Schedule (a) and Provision 8 of Item 6870-101-001 of the Budget Act of 1992. This amount shall be available for the same purposes, and subject to the same limitations, as the funds provided for the GAIN program in Schedule (b) and Provision 4 of Item 6870-101-001 of this act.	
6880-001-305—For support of Council for Private Post-secondary and Vocational Education	3,503,000
Schedule:	
(a) 10-Oversight and Approval	3,583,000
(b) 20.10-Administration	1,337,000
(c) 20.20-Administration—Distributed	-1,337,000
(d) Reimbursements.....	-80,000
6880-001-890—For support of Council for Private Post-secondary and Vocational Education, Program 10—Oversight and Approval.....	1,251,000
7980-001-001—For support of the Student Aid Commission	3,343,000
Schedule:	
(a) 15-Financial Aid Grants Program ...	3,404,000
(b) 50-California Loan Program	38,248,000

Item	Amount
(c) 80.01-Administration and Support Services	6,652,000
(d) 80.02-Distributed Administration and Support Services.....	-6,652,000
(e) Reimbursements.....	-61,000
(f) Amount payable from the State Guaranteed Loan Reserve Fund (Item 7980-001-951)	-38,248,000
7980-001-951—For support of the Student Aid Commission, for payment to Item 7980-001-001, payable from the State Guaranteed Loan Reserve Fund... Provisions:	38,248,000
1. Notwithstanding any other provision of law, the Director of Finance may authorize deficiencies pursuant to Section 11006 of the Government Code from funds appropriated from the State Guaranteed Loan Reserve Fund pursuant to Section 69766 of the Education Code.	
7980-011-890—To the Student Aid Commission, Program 50, for transfer to the State Guaranteed Loan Reserve Fund, payable from the Federal Trust Fund.....	320,206,000
Provisions:	
1. Any federal funds received by the Student Aid Commission in excess of the amount set forth in this item shall be transferred to the State Guaranteed Loan Reserve Fund in a manner prescribed by the Department of Finance.	
7980-011-951—To the Student Aid Commission, Program 50, for purchase of defaulted student loans, payable from the State Guaranteed Loan Reserve Fund.....	324,000,000
Provisions:	
1. Notwithstanding any other provision of law, the Director of Finance may authorize the creation of deficiencies for the purposes of this item. The Department of Finance shall notify in writing the Chairperson of the Joint Legislative Budget Committee of any deficiencies no later than 10 days after the effective date of the authorization.	

Item	Amount
7980-021-951—There is hereby appropriated from the State Guaranteed Loan Reserve Fund to the Student Aid Commission, for purposes of Chapter 1201, Statutes of 1977, a sum necessary to make payments to the United States Secretary of Education, eligible lenders, collection contractors, the State Guaranteed Student Loan Processing Contractor, and the County Clerk of Sacramento or any other county, in compliance with the regulations of the Federal Guaranteed Student Loan Program and the California Educational Loan Program which require: (1) payment to the federal Secretary of Education for the federal share of (a) collection recoveries and (b) refund of reinsurance payment on loans repurchased by lenders and (c) payment of reinsurance fees; (2) payment to contracted collection agencies for services provided; (3) refund of (a) student loan insurance premiums due lenders on canceled loans, (b) student borrower overpayments, or (c) collections made in error; and (4) payment of court filing fees in order to initiate civil suits against borrowers for repayment of defaulted student loans in accordance with Education Code Sections 69731.1–69763.4.	
7980-101-001—For local assistance, Student Aid Commission.....	226,215,000
Schedule:	
(a) 15-Financial Aid Grants Program. 240,463,000	
(b) Reimbursements.....	–1,130,000
(c) Amount payable from the Federal Trust Fund (Item 7980-101-890) ..	–13,118,000
Provisions:	
1. Funds appropriated in Schedule (a) are for the purposes of all of the following:	
(a) For awards in the Cal Grant Program under Article 3 (commencing with Section 69530) of Chapter 2 of Part 42 of the Education Code.	
(b) For graduate fellowship awards under Article 9 (commencing with Section 69670) of Chapter 2 of Part 42 of the Education Code.	
(c) For grants under Article 16 (commencing with Section 69900) of Chapter 2 of Part 42 of the Education Code, and for grants under Section 4709 of the Labor Code.	

Item	Amount
(d) For California Student Opportunity and Access Program contract agreements under Article 4 (commencing with Section 69560) of Chapter 2 of Part 42 of the Education Code.	
(e) For the purchase of loan assumptions under Article 6.5 (commencing with Section 69612) of Chapter 2 of Part 42 of the Education Code.	
(f) For grants under the California State Work-Study Program, Article 18 (commencing with Section 69950) of Chapter 2 of Part 42 of the Education Code.	
(g) For new and renewal Cal Grant awards in amounts not to exceed award levels comparable to those in effect for the 1993-94 award year except as otherwise provided by law.	
2. Notwithstanding any other provision of law, of the 17,400 new grants funded in Schedule (a) for Cal Grant A for the 1994-95 fiscal year, 500 grants shall be awarded to community college students who transfer to a four-year college or university.	
3. Notwithstanding any other provision of law, of the 12,250 new grants funded in Schedule (a) for Cal Grant B for the 1994-95 fiscal year, 250 grants shall be awarded to community college students who transfer to a four-year college or university.	
4. If federal trust funds for the 1994-95 fiscal year exceed budgeted levels, the funds appropriated shall, to the extent allowable by federal law, be reduced on a dollar-per-dollar basis.	
5. Eligibility for money appropriated by this item is limited to students who demonstrate financial need according to nationally accepted needs analysis methodologies, who meet other Student Aid Commission eligibility criteria, and whose income or family's gross income does not exceed \$61,000 for the purposes of determining recipients for the 1994-95 award year.	
7980-101-890—For local assistance, Student Aid Commission, for payment to Item 7980-101-001, payable from the Federal Trust Fund	13,118,000

Item	Amount
7980-101-951—For local assistance, Student Aid Commission, for student counseling in conjunction with California Student Opportunity and Access Program	73,000

GENERAL GOVERNMENT

8100-001-001—For support of Office of Criminal Justice Planning	3,505,000
Schedule:	
(a) 20.01-Administration	2,303,000
(b) 20.02-Distributed Administration	-2,303,000
(c) 50-Criminal Justice Projects	7,801,000
(d) Reimbursements.....	-451,000
(e) Amount payable from Local Public Prosecutors and Public Defenders Training Fund (Item 8100-001-241)	-63,000
(f) Amount payable from Victim/Witness Assistance Fund (Item 8100-001-425)	-1,404,000
(g) Amount payable from the Federal Trust Fund (Item 8100-001-890) ..	-2,378,000
Provisions:	
1. Of the funds appropriated by this item, \$20,000 is available for transfer to Item 8100-101-001 for the Domestic Violence Program, and \$104,000 is available for transfer to Item 8100-101-425 of which \$101,000 is for the Rape Crisis program and \$3,000 is for the Child Sexual Abuse and Exploitation program.	
8100-001-241—For support of Office of Criminal Justice Planning, for payment to Item 8100-001-001, payable from the Local Public Prosecutors and Public Defenders Training Fund	63,000
Provisions:	
1. Notwithstanding any other provisions of law restricting the costs of administering individual programs, the full amount of this appropriation may be used by the Office of Criminal Justice Planning for administrative costs.	
8100-001-425—For support of Office of Criminal Justice Planning, for payment to Item 8100-001-001, payable from the Victim/Witness Assistance Fund.....	1,404,000
8100-001-890—For support of Office of Criminal Justice Planning, for payment to Item 8100-001-001, payable from the Federal Trust Fund.....	2,378,000

Item	Amount
8100-101-001—For local assistance, Office of Criminal Justice Planning, Program 50, Criminal Justice Projects.....	21,875,000
Schedule:	
(a) 50.20.151-Domestic Violence Program	1,440,000
(b) 50.20.102-Victims Legal Resources Center.....	173,000
(c) 50.30.501-California Community Crime Resistance Program, to be allocated pursuant to Chapter 5 (commencing with Section 13840) of Title 6 of Part 4 of the Penal Code	923,000
(d) 50.20.152-Family Violence Prevention.....	194,000
(e) 50.30.651-Suppression of Drug Abuse in Schools Program.....	3,774,000
(f) 50.30.661-California Gang Violence Suppression Program.....	4,631,000
(g) 50.20.351-Homeless Youth Project	883,000
(h) 50.30.512-California Career Criminal Prosecution Program, to be allocated pursuant to Chapter 2.3 (commencing with Section 999b) of Title 6 of Part 2 of the Penal Code	3,987,000
(i) 50.30.513-Major Narcotic Vendors Prosecution Program.....	2,641,000
(j) 50.30.521-Child Sexual Assault Prosecution Program.....	1,304,000
(k) 50.30.541-Public Prosecutors and Public Defenders	29,000
(l) 50.20.354-Child Sexual Abuse Prevention and Training	672,000
(m) 50.30.511-California Career Criminal Apprehension Program	2,308,000
(n) 50.20.352-Youth Emergency Telephone Referral.....	253,000
(o) 50.30.531-Vertical Defense	692,000
(p) 50.30.514-Serious Habitual Offender	547,000
(px) 50.30.671-Midnight Basketball.....	150,000
(q) Reimbursements.....	-2,726,000
Provisions:	
1. Notwithstanding any other provisions of law, the Office of Criminal Justice Planning may pro-	

Item	Amount
<p>vide advance payment of up to twenty-five (25) percent of grants funds awarded to community-based, nonprofit organizations, cities, school districts, counties, and other units of local government which have demonstrated cash-flow problems according to the criteria set forth by the office.</p> <p>2. Of the amount appropriated in Schedule (px), the Cities of San Diego, San Francisco, and Oceanside shall each be allocated \$50,000 for the purpose of funding the midnight basketball program in those cities.</p>	
<p>8100-101-241—For local assistance, Office of Criminal Justice Planning, Program 50, Criminal Justice Projects, payable from the Local Public Prosecutors and Public Defenders Training Fund</p>	727,000
<p>Provisions:</p> <p>1. Notwithstanding any other provisions of law, the Office of Criminal Justice Planning may provide advance payment of up to twenty-five (25) percent of grant funds awarded to community-based, nonprofit organizations, cities, school districts, counties, and other units of local government which have demonstrated cash-flow problems according to the criteria set forth by the office.</p>	
<p>8100-101-425—For local assistance, Office of Criminal Justice Planning, Program 50, Criminal Justice Projects, payable from the Victim/Witness Assistance Fund</p>	15,519,000
<p>Schedule:</p> <p>(a) 50.20.101-Victim/Witness Assistance Program</p> <p>(b) 50.20.301-Rape Crisis Program</p> <p>(c) 50.20.353-Child Sexual Abuse and Exploitation Program.....</p>	<p>10,871,000</p> <p>3,670,000</p> <p>978,000</p>
<p>Provisions:</p> <p>1. Notwithstanding any other provisions of law, the Office of Criminal Justice Planning may provide advance payment of up to twenty-five (25) percent of grant funds awarded to community-based, nonprofit organizations, cities, school districts, counties, and other units of local government which have demonstrated cash-flow problems according to the criteria set forth by the office.</p>	

Item	Amount
8100-101-890—For local assistance, Office of Criminal Justice Planning, Program 50, Criminal Justice Projects, payable from the Federal Trust Fund....	54,353,000
Schedule:	
(a) 50.20.151-Domestic Violence Program.....	1,749,000
(b) 50.20.451-Victims of Crime Act (VOCA).....	6,757,000
(c) 50.20.302-Rape Prevention	748,000
(d) 50.30.701-Juvenile Justice and Delinquency Prevention.....	4,625,000
(e) 50.30.661-Gang Violence Suppression	505,000
(f) 50.30.551-Anti-Drug Abuse Program.....	35,117,000
(g) 50.30.552-Marijuana Suppression Program	3,807,000
(h) 50.30.525-Child Justice Act.....	1,045,000
Provisions:	
1. Notwithstanding any other provisions of law, the Office of Criminal Justice Planning may provide advance payment of up to twenty-five (25) percent of grant funds awarded to community-based, nonprofit organizations, cities, school districts, counties, and other units of local government which have demonstrated cash-flow problems according to the criteria set forth by the office.	
8100-115-001—For transfer by the Controller to the Victim Witness Assistance Fund	754,000
8120-001-268—For support of Commission on Peace Officer Standards and Training, payable from the Peace Officers' Training Fund.....	9,946,000
Schedule:	
(a) 10-Standards.....	4,649,000
(b) 20-Training	9,311,000
(c) 30-Peace Officer Training Reimbursement.....	86,000
(d) 40.01-Administration	3,360,000
(e) 40.02-Distributed Administration .	-3,360,000
(f) Amount payable from the Peace Officers' Training Fund (Item 8120-011-268)	-4,100,000
8120-011-268—For support of Commission on Peace Officer Standards and Training, for payment to Item 8120-001-268, payable from the Peace Officers' Training Fund	4,100,000

Item	Amount
Provisions:	
1. Funds are to be used for contractual services in support of local training programs, pursuant to Section 13503(c) of the Penal Code.	
2. Funds may be transferred between this item and Item 8120-101-268 to meet the needs of local training programs.	
8120-101-268—For local assistance, Commission on Peace Officer Standards and Training, Program 30, for allocation to cities, counties, and cities and counties pursuant to Section 13523 of the Penal Code, payable from the Peace Officers’ Training Fund.....	19,492,000
Provisions:	
1. Funds may be transferred between this item and Item 8120-011-268 to meet the needs of local training programs.	
2. The Director of Finance may authorize the augmentation of the total amount available for expenditure under this item in the amount of revenue received by the Peace Officers’ Training Fund which is in addition to the revenue appropriated by this item, not sooner than 30 days after notification in writing to the chairpersons of the respective fiscal committees and the Chairperson of the Joint Legislative Budget Committee.	
8120-111-001—For transfer by the Controller to the Peace Officer Training Fund.....	1,453,000
8140-001-001—For support of State Public Defender ...	8,529,000
Schedule:	
(a) 10-State Public Defender.....	8,653,000
(b) Reimbursements.....	- 124,000
Provisions:	
1. Any federal funds received by the Office of the State Public Defender as reimbursements for legal services provided for capital cases shall revert to the unappropriated surplus of the General Fund.	
8180-101-001—For local assistance, Payment to Counties for Costs of Homicide Trials, for payment by the State Controller.....	6,000,000
Provisions:	
1. This item is for payment to counties for costs of homicide trials pursuant to Sections 15201 to 15203, inclusive, of the Government Code, provided that expenditures made under this item	

Item	Amount
shall be charged to the fiscal year in which the warrant is issued by the State Controller.	
2. The Controller shall reimburse counties for reasonable and necessary expenses incurred pursuant to Section 15202 of the Government Code, except that reimbursements to a county shall not exceed: (a) for attorney services, an hourly rate equal to that county's average hourly cost for public defenders, the hourly rate paid to appointed counsel, or the hourly rate charged state agencies by the Attorney General for attorney services, whichever rate is less; (b) for investigators, an hourly rate equal to that county's average hourly cost for county-employed investigators, or the hourly rate charged state agencies by the Attorney General for investigators, whichever rate is less; and (c) for expert witnesses, the hourly rate that the county generally pays for these services.	
8200-001-001—For support of Commission for Economic Development	238,000
Schedule:	
(a) 10-Commission for Economic Development.....	240,000
(b) Reimbursements.....	-2,000
8260-001-001—For support of California Arts Council..	1,898,000
Schedule:	
(a) 10-Artists in Residence.....	602,000
(b) 20-Organizational Grants.....	911,000
(c) 25-Performing Arts Touring/Presenting Program	281,000
(d) 40-Statewide Projects.....	516,000
(e) 45-California Challenge Program	35,000
(f) 50.01-Administration.....	1,098,000
(g) 50.02-Distributed Administration	-1,098,000
(h) Amount payable from the Federal Trust Fund (Item 8260-001-890) ..	-447,000
8260-001-890—For support of the California Arts Council, for payment to Item 8260-001-001, payable from the Federal Trust Fund	447,000
8260-101-001—For local assistance, California Arts Council for grants and subventions.....	9,847,000
Schedule:	
(a) 10-Artists in Residence.....	1,703,000
(b) 20-Organizational Grants.....	6,033,000
(c) 25-Performing Arts Touring/Presenting Program	492,000

Item	Amount
(d) 40-Statewide Projects.....	1,619,000
Provisions:	
1. Funds appropriated for the Small and Mid-size Organizations element and the Large Budget Organizations element of the Organizational Grants program shall not be expended unless the grant recipient provides at least a dollar-for-dollar cash match. No matching funds shall be required for grants to individual artists.	
8260-101-890—For local assistance, California Arts Council, payable from the Federal Trust Fund	658,000
Schedule:	
(a) 10-Artists in Residence.....	180,000
(b) 20-Organizational Grants.....	214,000
(c) 25-Performing Arts Touring/Pre- senting Program	71,000
(d) 40-Statewide Projects.....	193,000
Provisions:	
1. Any organization applying for a grant under the Large Budget Organizations element of the Organizational Grants program may not receive a grant under the Small and Mid-size Organizations element of the Organizational Grants program.	
2. Any organization applying for a grant under the Small and Mid-size Organizations element of the Organizational Grants program may not receive a grant under the Large Budget Organizations element of the Organizational Grants program.	
3. Funds appropriated for the Small and Mid-size Organizations element and the Large Budget Organizations element of the Organizational Grants program shall not be expended unless the grant recipient provides at least a dollar-for-dollar cash match. No matching funds shall be required for grants to individual artists.	
8260-111-001—For local assistance, California Arts Council, Program 45—California Challenge Program	759,000
Provisions:	
1. Funds appropriated for the California Challenge Program shall not be expended unless the grant recipient provides matching funds through new and increased private contributions based on criteria established by the Cal-	

Item	Amount
ifornia Arts Council specifically for this program.	
8280-001-001—For support of Native American Heritage Commission, Program 10	241,000
8300-001-001—For support of Agricultural Labor Relations Board	4,301,000
Schedule:	
(a) 10-Board Administration	1,801,000
(b) 20-General Counsel Administration	2,609,000
(c) 30.01-Administrative Services.....	230,000
(d) 30.02-Distributed Administrative Services.....	-230,000
(e) Reimbursements.....	-109,000
Provisions:	
1. Of the funds appropriated in this item, \$879,000 is available to the Agricultural Labor Relations Board in order to address the existing and new workload. The funds shall be used by the board to (a) locate a new field office in an area of the state with the greatest workload activity, and (b) establish a new field office unit that is able to be deployed to existing and new workload on a priority basis.	
2. The Agricultural Labor Relations Board shall advertise and conduct a new examination to establish a qualified pool of candidates to fill its field examiner and field counsel positions.	
3. The Agricultural Labor Relations Board is prohibited from approving regulations contrary to the statutory policy, as set forth in Section 1140.2 of the Labor Code, to encourage and protect the right of agricultural employees to full freedom of association, self-organization, and designation of representatives of their own choosing, to negotiate the terms and conditions of their employment, and to be free from the interference, restraint, or coercion of employers of labor, or their agents, in the designation of those representatives or in self-organization or in other concerted activities for the purpose of collective bargaining or other mutual aid or protection.	
8320-001-001—For support of Public Employment Relations Board.....	4,042,000
Schedule:	
(a) 10-Dispute Resolution	3,317,000
(b) 20-Representation.....	725,000

Item	Amount
(c) 30.01-Administration	546,000
(d) 30.02-Distributed Administration .	-546,000
8350-001-001—For support of Department of Industrial Relations.....	115,196,000
Schedule:	
(1) 10-Regulation of Workers' Compensation Self-Insurance Plans.....	2,971,000
(2) 20-Conciliation of Employer-Employee Disputes	1,792,000
(3) 30-Workers' Compensation Administration	89,621,000
(4) 35-Industrial Medical Council	3,981,000
(5) Commission on Health and Safety and Worker's Compensation.....	500,000
(6) 40-The Prevention of Industrial Injuries and Deaths of California Workers.....	57,380,000
(7) 50-Enforcement and Promulgation of Laws Relating to Wages, Hours, and Conditions of Employment, and Licensing and Adjudication.....	23,324,000
(8) 60-Promotion, Development, and Administration of Apprenticeship and Other On-the-Job Training ...	4,019,000
(9) 70-Labor Force Research and Data Dissemination	2,703,000
(10) 80-Payment of Claims, Wages, and Contingencies	23,632,000
(11) 94.01-Administration.....	13,947,000
(12) 94.02-Distributed Administration—	-13,947,000
(13) Reimbursements	-3,458,000
(14) Amount payable from the Farm Labor Contractor's Special Account (Item 8350-001-023)	-27,000
(15) Amount payable from the Industrial Medicine Fund (Item 8350-001-079).....	-1,603,000
(16) Amount payable from the Cal-OSHA Targeted Inspection and Construction Fund (Item 8350-001-096).....	-8,225,000
(16.1) Amount payable from Workers' Compensation Managed Care Fund (Item 8350-001-132).....	-1,699,000

Item	Amount
(17) Amount payable from the Industrial Relations Construction Industry Enforcement Fund (Item 8350-001-216)	-50,000
(18) Amount payable from the Workplace Health and Safety Revolving Fund (Item 8350-001-222)	-500,000
(19) Amount payable from Workers' Compensation Administration Revolving Fund (Item 8350-001-223)	-16,875,000
(20.1) Amount payable from Asbestos Consultant Certification Account (Item 8350-001-368)	-310,000
(20.2) Amount payable from Asbestos Training Approval Account (Item 8350-001-369)	-234,000
(21) Amount payable from the Self-Insurance Plans Fund (Item 8350-001-396)	-2,803,000
(22) Amount payable from the Elevator Safety Inspection Account, General Fund (Item 8350-001-452)	-4,539,000
(23) Amount payable from the Pressure Vessel Inspection Account, General Fund (Item 8350-001-453)	-3,867,000
(24) Amount payable from the Garment Manufacturer's Special Account (Item 8350-001-481)	-50,000
(24.1) Amount payable from Employment Training Fund (Item 8350-001-514)	-2,800,000
(25) Amount payable from the Uninsured Employer's Account, Uninsured Employer's Fund (Item 8350-001-571)	-23,524,000
(26) Amount payable from the Federal Trust Fund (Item 8350-001-890)	-22,209,000
(27) Amount payable from the Industrial Relations Unpaid Wage Fund (Item 8350-001-913)	-891,000

Item	Amount
(28) Amount payable from the Workers' Compensation Administration Revolving Fund (Item 8350-015-223)	-563,000
(29) Amount payable from the Industrial Relations Unpaid Wage Fund (Labor Code Section 96.6)	-500,000
8350-001-023—For support of Department of Industrial Relations, for payment to Item 8350-001-001, payable from the Farm Labor Contractor's Special Account	27,000
8350-001-079—For support of Department of Industrial Relations, for payment to Item 8350-001-001, payable from the Industrial Medicine Fund.....	1,603,000
8350-001-096—For support of Department of Industrial Relations, for payment to Item 8350-001-001, payable from the Cal-OSHA Targeted Inspection and Construction Fund.....	8,225,000
8350-001-132—For support of Department of Industrial Relations, for payment to Item 8350-001-001, payable from the Workers' Compensation Managed Care Fund	1,669,000
Provisions:	
1. It is the intent of the Legislature that, on and after July 1, 1994, the regulation of workers' compensation health care organizations pursuant to Sections 4600.3 and 4600.5 of the Labor Code be fully supported by fees assessed on certified health care organizations and applicants for certification. The Department of Industrial Relations shall submit a plan to the Joint Legislative Budget Committee to carry out the intent of the Legislature, as set forth in this provision, no later than January 1, 1995.	
8350-001-216—For support of Department of Industrial Relations, for payment to Item 8350-001-001, payable from the Industrial Relations Construction Industry Enforcement Fund	50,000
8350-001-222—For support of Department of Industrial Relations, for payment to Item 8350-001-001, payable from the Workplace Health and Safety Revolving Fund	500,000
Provisions:	
1. Funds appropriated in this item are for the purpose of supporting the activities of the Health and Safety Commission within the Department	

Item	Amount
of Industrial Relations, as established by Chapter 892, Statutes of 1989.	
8350-001-223—For support of Department of Industrial Relations, for payment to Item 8350-001-001, payable from the Workers' Compensation Administration Revolving Fund.....	16,875,000
8350-001-369—For support of Department of Industrial Relations, for payment to Item 8350-001-001, payable from the Asbestos Training Approval Account	234,000
8350-001-368—For support of Department of Industrial Relations, for payment to Item 8350-001-001, payable from the Asbestos Consultant Certification Account	310,000
8350-001-396—For support of Department of Industrial Relations, for payment to Item 8350-001-001, payable from the Self-Insurance Plans Fund.....	2,803,000
8350-001-452—For support of Department of Industrial Relations, for payment to Item 8350-001-001, payable from the Elevator Safety Inspection Account, General Fund	4,539,000
8350-001-453—For support of Department of Industrial Relations, for payment to Item 8350-001-001, payable from the Pressure Vessel Inspection Account, General Fund	3,867,000
8350-001-481—For support of Department of Industrial Relations, for payment to Item 8350-001-001, payable from the Garment Manufacturer's Special Account	50,000
8350-001-514—For support of Department of Industrial Relations, for payment to Item 8350-001-001, payable from the Employment Training Fund	2,800,000
Provisions:	
1. Notwithstanding Section 1611 and Chapter 3.5 (commencing with Section 10200) of Part 1 of Division 3 of the Unemployment Insurance Code, \$2,800,000 from the interest earned from money in the Employment Training Fund shall be transferred by the Controller to the Department of Industrial Relations for the support of the Division of Apprenticeship Standards.	
8350-001-571—For support of Department of Industrial Relations, for payment to Item 8350-001-001, payable from the Uninsured Employer's Account, Uninsured Employer's Fund	23,524,000
8350-001-890—For support of Department of Industrial Relations, for payment to Item 8350-001-001, payable from the Federal Trust Fund.....	22,209,000

Item	Amount
8350-001-913—For support of Department of Industrial Relations, for payment to Item 8350-001-001, payable from the Industrial Relations Unpaid Wage Fund.....	891,000
Provisions:	
1. Notwithstanding any other provision of law, funds appropriated by this item shall be expended by the Department of Industrial Relations Division of Labor Standards Enforcement to administer the Targeted Industries Partnership Program to increase enforcement and compliance in the agricultural and garment industries.	
2. It is the intent of the Legislature that the Targeted Industries Partnership Program result in increased enforcement of, and compliance by, the agricultural and garment industries regarding wages, hours, conditions of employment, licensing, registration, and child labor laws and regulations.	
8350-011-001—For support of Department of Industrial Relations, payable from the General Fund, for transfer to the Uninsured Employer’s Account ...	18,603,000
8350-015-223—For support of Department of Industrial Relations, for payment to Item 8350-001-001, payable from the Workers’ Compensation Administration Revolving Fund.....	563,000
8350-021-001—For loan by the Controller from the General Fund to the Workers’ Compensation Managed Care Fund.....	(1,699,000)
Provisions:	
1. The sum of \$1,699,000 is available as a loan from the General Fund to the Department of Industrial Relations for support of initial activities in implementing Sections 4600.3 and 4600.5 of the Labor Code during the period of July 1, 1994, to June 30, 1995. At the beginning of each quarter, the Controller shall transfer the amount requested by the Director of the Department of Industrial Relations from this appropriation to the Workers’ Compensation Managed Care Fund. The amount transferred from this appropriation to the Workers’ Compensation Managed Care Fund, plus interest at the rate earned in the Pooled Money Investment Account, shall be repaid to the General Fund no later than June 30, 1997.	

Item	Amount
8350-490—Reappropriation—Department of Industrial Relations. Notwithstanding any other provision of law, an amount not to exceed \$501,000 is hereby reappropriated from the balance of the appropriation in Item 8350-001-222—Workplace Health and Safety Revolving Fund as determined by the Director of Finance. This amount shall be reduced by the value of grants awarded during the period from January 1, 1994, through June 30, 1994.	
8380-001-001—For support of Department of Personnel Administration	5,385,000
Schedule:	
(a) 20-Labor Relations	1,502,000
(b) 25-Legal.....	2,310,000
(c) 40.01-Administration	3,464,000
(d) 40.02-Distributed Administration .	-3,464,000
(e) 52-Classification and Compensation	3,304,000
(f) 54-Benefits Administration	5,466,000
(g) 56-Training and Development.....	1,867,000
(h) 58-Merit Award	334,000
(i) Reimbursements.....	-6,397,000
(j) Amount payable from the Flexelect Benefit Fund (Item 8380-001-821)	-767,000
(k) Amount payable from the Deferred Compensation Plan Fund (Item 8380-001-915)	-2,234,000
8380-001-821—For support of Department of Personnel Administration, for payment to Item 8380-001-001, payable from the Flexelect Benefit Fund.....	767,000
8380-001-915—For support of Department of Personnel Administration, for payment to Item 8380-001-001, payable from the Deferred Compensation Plan Fund.....	2,234,000
8385-001-001—For support of California Citizens Compensation Commission, Program 10	30,000
8450-001-001—For support of Workers' Compensation Benefit Program, for payment of the additional compensation for subsequent injuries provided for by Sections 4750 to 4755, inclusive, of the Labor Code.....	5,507,000
Schedule:	
(a) Payment of Claims	7,570,000
(b) Support, State Compensation Insurance Fund.....	379,000
(c) Prolitigation Expenses	170,000

Item	Amount
(d) Support, Department of Industrial Relations.....	688,000
(e) Amount payable from Subsequent Injuries Moneys, General Fund (Item 8450-001-016)	-3,300,000
Provisions:	
1. This item shall not be construed as a limitation on expenditures provided by Item 8450-001-016.	
2. The amount available from this item shall not be available for expenditure at any time that funds appropriated by Item 8450-001-016 are available for expenditure.	
3. At the end of fiscal year 1994-95, any expenditures made from the General Fund against this appropriation item shall be reduced by any amounts remaining available from the funds appropriated by Item 8450-001-016.	
8450-001-016—For payment of workers’ compensation benefits for subsequent injuries, for payment to Item 8450-001-001, payable from the account for Subsequent Injuries Moneys, General Fund	3,300,000
Provisions:	
1. The Director of Finance may authorize the augmentation of the total amount available for expenditure under this item in the amount of revenue received by the Subsequent Injuries Moneys Account, which is in addition to the amount appropriated by this item, not sooner than 30 days after notification in writing to the chairpersons of the respective fiscal committees and the Chairperson of the Joint Legislative Budget Committee. The director may authorize these augmentations only up to the amount required for payment of the additional compensation for subsequent injuries provided by Sections 4750 through 4755 of the Labor Code.	
8460-101-001—For local assistance, Workers’ Compensation Benefits for Disaster Service Workers	663,000
Provisions:	
1. This item is for furnishing of workers’ compensation to disaster service workers and their dependents, in accordance with Division 4 (commencing with Section 3200) of the Labor Code, including the reimbursing of the State Compensation Insurance Fund for the cost of services as adjusting agent, Governor’s office, Office of Emergency Services. The State Compensation	

Item	Amount
Insurance Fund may draw from the State Treasury out of the appropriation made by this item, without at the time presenting vouchers and itemized statements, any portion of the appropriation contained in this item, to be used as a cash revolving fund. Expenditures made from the revolving fund in payment of claims for workers' compensation and adjusting services are excepted from the operation of Section 925.6 of the Government Code. Reimbursement of the revolving fund for such expenditures shall be made upon presentation to the State Controller of an abstract or statement of such expenditures. Such abstract or statement shall be in such form as the State Controller requires.	
8500-001-152—For support of Board of Chiropractic Examiners, payable from the State Board of Chiropractic Examiners Fund	1,513,000
Schedule:	
(a) 10-Board of Chiropractic Examiners.....	1,543,000
(b) Reimbursements.....	-30,000
8510-001-264—For support of Osteopathic Medical Board of California payable from the Osteopathic Contingent Fund	471,000
Schedule:	
(a) 10-Osteopathic Medical Board of California.....	487,000
(b) Reimbursements.....	-16,000
8530-001-290—For support of Board of Pilot Commissioners for the Bays of San Francisco, San Pablo and Suisun, payable from the Board of Pilot Commissioners' Special Fund.....	1,515,000
Schedule:	
(a) 10.01 Support	612,000
(b) 10.02 Training.....	903,000
8550-001-191—For support of California Horse Racing Board, payable from the Fair and Exposition Fund .	5,930,000
Schedule:	
(a) 10-California Horse Racing Board	8,786,000
(ax) Unallocated Reduction	-1,093,000
(ay) Amount payable from Satellite Wagering Account (Item 8550-001-192).....	-1,500,000
(b) Amount payable from the Race-track Security Account, Special Deposit Fund (Item 8550-001-942) .	-263,000

Item	Amount
Provisions:	
1. Of the funds appropriated by this item, \$1,500,000 is to be expended for drug testing of horses.	
8550-001-192—For support of the California Horse Racing Board, for payment to Item 8550-001-191, payable from the Satellite Wagering Account, Fair and Exposition Fund	1,500,000
8550-001-942—For support of the California Horse Racing Board, for payment to Item 8550-001-191, payable from the Racetrack Security Account, Special Deposit Fund.....	263,000
8550-011-942—Notwithstanding paragraph (1) of subdivision (b) of Section 19641 of the Business and Professions Code, there is hereby transferred to the General Fund the unencumbered balance of the Racetrack Security Account, Special Deposit Fund, as of June 30, 1994	(2,000,000)
8560-001-191—For support of California Exposition and State Fair, payable from the Fair and Exposition Fund.....	265,000
8560-001-510—For support of California Exposition and State Fair, provided that the expenditures from the appropriation made by this item shall not exceed those operating revenues deposited in the California Exposition and State Fair Enterprise Fund by the California Exposition and State Fair Schedule:	15,856,000
(a) 100000-Personal Services	8,958,000
(b) 300000-Operating Expenses and Equipment.....	8,201,000
(c) Reimbursements.....	-1,038,000
(d) Amount payable from the Fair and Exposition Fund (Item 8560-001-191)	-265,000
Provisions:	
2. The Director of Finance may authorize augmentations of up to a total of 10% of the amount available for expenditure from the California Exposition and State Fair Enterprise Fund in this item if the California Exposition and State Fair has certified in writing that there is sufficient money in the reserve of the California Exposition and State Fair Enterprise Fund to cover the augmentation.	
3. It is the intent of the Legislature that the funds made available from the appropriation made in	

Item	Amount
<p>this item may be expended for promotional and public relations purposes of the California Exposition and State Fair pursuant to subdivision (a) of Section 4403 of the Food and Agricultural Code.</p>	
<p>8560-301-510—For capital outlay, California Exposition and State Fair, payable from the California Exposition and State Fair Enterprise Fund</p>	3,126,000
<p>Schedule:</p>	
<p>(1) 50.01.001-Unanticipated Capital Outlay Projects—Preliminary plans, working drawings and construction.....</p>	500,000
<p>(2) 50.01.004-Sound System—Construction.....</p>	650,000
<p>(3) 50.01.012-Lot D Parking Structure—Preliminary plans, working drawings, and construction</p>	300,000
<p>(4) 50.01.013-Recreational Vehicle Park Improvements—Preliminary plans, working drawings, and construction</p>	350,000
<p>(4.1) 50.01.015-Central Promenade-Plaza at canopy entrance-working drawings and construction ..</p>	850,000
<p>(5) 50.10.201-Minor Projects.....</p>	476,000
<p>Provisions:</p>	
<p>1. It is the intent of the Legislature to provide Cal-Expo sufficient opportunity to respond to available attractions and facility needs identified by fair goers prior to the succeeding fair. In order to accomplish this intent the funds appropriated in category (1) of this item are to be expended only on projects which; (1) may be completed prior to the following fair opening date, (2) projects must address health safety or other conditions which would impact visitor attendance and (3) projects where no other viable temporary solution is available. Funds appropriated in category (1) of this item are subject to Department of Finance approval prior to expenditures. Projects may not be authorized sooner than 15 days after notification in writing of the necessity therefor to the Chairperson of the Joint Legislative Budget Committee.</p>	
<p>2. Of the funds appropriated in category (4) of this item, an amount not to exceed \$5,000, which is</p>	

Item	Amount
directly attributable to in-house labor for this project, may be transferred to category (a) of Item 8560-001-510, with the approval of Department of Finance.	
8570-001-001—For support of Department of Food and Agriculture	63,614,000
Schedule:	
(a) 20-Plant Pest and Disease Prevention	52,114,000
(b) 25-Animal Pest and Disease Prevention/Inspection Services	20,160,000
(c) 30-Agricultural Marketing Services	2,682,000
(d) 40-Food and Agricultural Standards and Inspection Services	11,411,000
(e) 50-Measurement Standards	1,894,000
(f) 60-Financial and Administrative assistance to local fairs	2,291,000
(g) 70.01-Executive Management and Administration Services	9,311,000
(h) 70.02-Distributed Executive Management and Administration Services	-7,802,000
(i) 80-General Agriculture Activities and Emergency Funding	2,923,000
(j) Reimbursements	-9,057,000
(k) Amount payable from the Agriculture Fund (Item 8570-001-111)	-14,781,000
(l) Amount payable from the Agricultural Pest Control Research Account (Item 8570-011-112)	-13,000
(m) Amount payable from the Fair and Exposition Fund (Item 8570-001-191)	-1,404,000
(n) Amount payable from the Satellite Wagering Account (Item 8570-012-192)	-315,000
(o) Amount payable from the Harbors and Watercraft Revolving Fund (Item 8570-001-516)	-309,000
(p) Amount payable from the Agriculture Building Fund (Item 8570-001-601)	-1,361,000
(q) Amount payable from the Federal Trust Fund (Item 8570-001-890) ..	-4,130,000

Item	Amount
Provisions:	
1. Funds appropriated to Schedule (i) from Item 8570-001-111 are in lieu of the appropriation provided by subdivision (b) of Section 224 of the Food and Agricultural Code for emergency detection, eradication, or research of agricultural plant or animal pests or diseases. In addition, notwithstanding any other provision of law, up to an additional \$800,000 of the funds appropriated pursuant to subdivision (c) of Section 224 of the Food and Agricultural Code shall be available for use by the Department of Food and Agriculture for emergency projects to augment Schedule (i) of this item. The Director of Food and Agriculture may expend the funds mentioned in this provision with the approval of the Director of Finance. The funds that are so appropriated are not subject to Sections 6.50, 27.00 or 28.00 of this act.	
2. Funds appropriated to Schedule (1) from Item 8570-001-111 are in lieu of the appropriation provided by subdivision (a) of Section 244 of the Food and Agricultural Code. In addition, notwithstanding any other provision of law, of the funds appropriated pursuant to subdivision (c) of Section 224 of the Food and Agricultural Code, \$650,000 shall be available for use by the Department of Food and Agriculture for departmental overhead expenses.	
3. The Department of Food and Agriculture shall not reduce or eliminate any funding for the Animal Damage Control program.	
8570-001-111—For support of Department of Food and Agriculture, for payment to Item 8570-001-001, payable from the Agriculture Fund.....	14,781,000
8570-001-191—For support of Department of Food and Agriculture, for payment to Item 8570-001-001, payable from the Fair and Exposition Fund.....	1,404,000
8570-001-516—For support of Department of Food and Agriculture, for payment to Item 8570-001-001, payable from the Harbors and Watercraft Revolving Fund.....	309,000
8570-001-601—For support of Department of Food and Agriculture, for payment to Item 8570-001-001, payable from the Agriculture Building Fund.....	1,361,000

Item	Amount
Provisions:	
1. Funds appropriated by this item are in lieu of the appropriation made by Section 624 of the Food and Agricultural Code.	
8570-001-890—For support of Department of Food and Agriculture, for payment to Item 8570-001-001, payable from the Federal Trust Fund	4,130,000
Provisions:	
1. The Department of Finance may authorize the augmentation of this item in an amount not to exceed a cumulative total of \$1,500,000. Any augmentation pursuant to this provision shall only be made if the Department of Food and Agriculture has a valid federal contract or grant. These funds shall not be used for State or Federal cooperative fruit fly eradication projects. The augmentations pursuant to this authority are not subject to Sections 6.50 or 28.00 of this act.	
8570-011-112—For support of Department of Food and Agriculture, for payment to Item 8570-001-001, payable from the Agricultural Pest Control Research Account	13,000
8570-011-191—For transfer by the State Controller from the Fair and Exposition Fund to the General Fund, for health benefits for retired employees of district agricultural associations	(246,000)
8570-012-192—For support of Department of Food and Agriculture, for payment to Item 8570-001-001, payable from the Satellite Wagering Account	315,000
8570-101-001—For local assistance, Department of Food and Agriculture	5,039,000
Schedule:	
(a) 20-Plant Pest and Disease Prevention	5,039,000
(b) 60-Financial and Administrative Assistance to local fairs.....	950,000
(c) 80-General Agricultural Activities and Emergency Funding	383,000
(d) Amount Payable from the General Fund (Item 8570-111-001)	-383,000
(e) Amount Payable from the Fair and Exposition Fund (Item 8570-101-191)	-950,000

Item	Amount
8570-101-191—For local assistance, Department of Food and Agriculture, for payment to Item 8570-101-001, payable from the Fair and Exposition Fund.....	950,000
Provisions:	
1. The funds appropriated in this item are for the following:	
Unemployment insurance at local fairs	950,000
2. The funds in Provision 1 are appropriated for the contributions, or the cost of benefits in lieu of contributions, payable from the Fair and Exposition Fund to the Unemployment Fund by all entities conducting fairs, including county, district, combined county and district, and citrus fruit fairs receiving funds pursuant to Chapter 4 (commencing with Section 19400) of Division 8 of the Business and Professions Code, as a result of unemployment insurance coverage pursuant to Section 605 of the Unemployment Insurance Code.	
8570-111-001—For local assistance, Department of Food and Agriculture, for payment to Item 8570-101-001	383,000
Provisions:	
1. The funds in this item are also available for compensation for services performed for agricultural departments and are to be expended in accordance with the provisions of Sections 2221 to 2224, inclusive, of the Food and Agricultural Code.	
8570-121-192—Notwithstanding any other provision of law, for transfer by the Controller from the Satellite Wagering Account, Fair and Exposition Fund, to the General Fund.....	(2,700,000)
8570-301-001—For capital outlay, Department of Food and Agriculture	69,000
Schedule:	
(1) 90.16.010-Vidal Border Station.....	69,000
8570-401—For support of the Department of Food and Agriculture: Notwithstanding any other provision of law, \$2,900,000 of the funds appropriated pursuant to subdivision (c) of Section 224 of the Food and Agricultural Code shall be allocated to counties in a manner prescribed by the director for pest detection/trapping programs. These funds are intended to supplement funds available for pest de-	

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<p>tection/trapping in Item 8570-101-001. As a condition of receiving these funds, counties shall not reduce their level of support from any other funds for pest detection/trapping programs. Should a county decline to participate in a pest detection/trapping program, or fail to conduct the program to the state's satisfaction, the director shall reduce, by the amount that would otherwise be allocated to the county, funds available pursuant to subdivision (c) of Section 224 and other state allocations from Item 8570-101-001. These funds are hereby appropriated to the Department of Food and Agriculture for purposes of operating the pest detection/trapping programs in the counties.</p>	
<p>8570-402—For local assistance, Department of Food and Agriculture: Notwithstanding any other provision of law, all funds appropriated for California fairs and expositions pursuant to Business and Professions Code Sections 19622, 19627, 19627.1 and 19627.2(c) for the 1994–95 fiscal year shall be utilized for the purposes specified in Section 19630, and may be allocated by the Director of Food and Agriculture to all state designated fairs as specified in Sections 19418, 19418.1, 19418.2 and 19418.3.</p>	
<p>8620-001-001—For support of the Fair Political Practices Commission</p>	1,310,000
<p>Schedule:</p>	
<p>(a) 10.10-Local enforcement</p>	556,000
<p>(b) 10.20-Legal, technical assistance and state enforcement</p>	754,000
<p>8640-001-001—For support of Political Reform Act of 1974, the following sums are hereby appropriated to, and in augmentation of, the following agencies and officers for the administration, investigation and regulation of the political campaigns, officials, and lobbyists</p>	2,140,000
<p>Schedule:</p>	
<p>(1) 10-Secretary of State</p>	716,000
<p>For transfer by the State Controller to Item 0890-001-001 as follows:</p>	
<p>(a) Personal Services..</p>	485,000
<p>(b) Operating Expenses and Equipment</p>	231,000
<p>(2) 20-Franchise Tax Board</p>	1,207,000
<p>For transfer by the State Controller to Item 1730-001-001 as follows:</p>	

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(c) 30-Political Re- form Audit.....	1,207,000
(3) 30-Department of Justice.....	225,000
For transfer by the State Control- ler to Item 0820-001-001 as follows:	
(d) 40-Criminal Law ..	81,000
(e) 50-Law Enforce- ment.....	144,000
(4) 40-Fair Political Practices Com- mission.....	(3,232,000)
(5) Reimbursements.....	-8,000
For transfer by the State Controller to Item 0890-001- 001(d)	
8660-001-042—For support of Public Utilities Commis- sion, for payment to Item 8660-001-412, payable from the State Highway Account, State Transpor- tation Fund.....	1,756,000
8660-001-046—For support of Public Utilities Commis- sion, for payment to Item 8660-001-412, payable from the Transportation Planning and Develop- ment Account, State Transportation Fund.....	1,502,000
8660-001-412—For support of Public Utilities Commis- sion, payable from the Transportation Rate Fund Schedule:	20,159,000
(a) 100000-Personal Services.....	63,738,000
(b) 300000-Operating Expenses and Equipment.....	22,142,000
(bx) Unallocated Reduction.....	-4,294,000
(c) Reimbursements.....	-2,505,000
(d) Amount payable from the State Highway Account, State Trans- portation Fund (Item 8660-001- 042)	-1,756,000
(e) Amount payable from the Trans- portation Planning and Develop- ment Account, State Transpor- tation Fund (Item 8660-001-046)	-1,502,000
(f) Amount payable from the Public Utilities Commission Transpor- tation Reimbursement Account, General Fund (Item 8660-001- 461)	-9,565,000
(g) Amount payable from the Public Utilities Commission Utilities Re- imbursement Account, General Fund (Item 8660-001-462)	-45,976,000

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(h) Amount payable from the Federal Trust Fund (Item 8660-001-890) ..	-123,000
8660-001-461—For support of Public Utilities Commission, for payment to Item 8660-001-412, payable from the Public Utilities Commission Transportation Reimbursement Account, General Fund	9,565,000
8660-001-462—For support of Public Utilities Commission, for payment to Item 8660-001-412, payable from the Public Utilities Commission Utilities Reimbursement Account, General Fund.....	45,976,000
8660-001-890—For support of Public Utilities Commission, for payment to Item 8660-001-412, payable from the Federal Trust Fund	123,000
8700-001-001—For support of State Board of Control... Schedule:	860,000
(a) 11-Citizens Indemnification	42,803,000
(b) 21-Hazardous Substance Claims...	21,000
(c) 31-Civil Claims Against the State.	860,000
(d) 51.01-Administration	3,519,000
(e) 51.02-Distributed Administration .	-3,519,000
(f) Reimbursements.....	-21,000
(g) Amount payable from the Restitution Fund (Item 8700-001-214)	-27,518,000
(h) Amount payable from the Federal Trust Fund (Item 8700-001-890) ..	-15,285,000
Provisions:	
1. The Board of Control shall not routinely notify all local agencies and school districts regarding its proceedings. However, for each of its meetings, the board shall notify all parties whose claims or proposals are scheduled for consideration and any party requesting notice of the proceedings.	
8700-001-214—For support of State Board of Control, for support services pursuant to Chapter 5 (commencing with Section 13959) of Part 4 of Division 3 of Title 2 of the Government Code, for payment to Item 8700-001-001, payable from the Restitution Fund.....	18,437,000
Provisions:	
1. The State Board of Control shall report to the Joint Legislative Budget Committee within 30 days after the end of each month on the status of the Victims of Crime Program. This report shall include, but not be limited to, the number of claims received, the number of claims processed, the status of any claim backlog, the status	

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of the claim processing time, staff vacancies, and the condition of the Restitution Fund. The board shall include in its report on claims processed the number of claims "zero awarded" (determined to be eligible for compensation but for which no payment has yet been issued), and the amount of expenses pending on these claims.	
8700-001-890—For support of the State Board of Control, for payment to Item 8700-001-001, payable from the Federal Trust Fund	15,285,000
8700-011-001—For transfer to the Restitution Fund upon written approval of the Department of Finance to provide operating funds for support of the Victims of Crimes Program on a monthly basis, as needed, for cash-flow purposes, with all money transferred during 1994-95 to be repaid to the General Fund prior to September 30, 1995	(18,200,000)
Provisions:	
1. Notwithstanding Section 16314 of the Government Code, any funds transferred pursuant to this item shall not be subject to the payment of interest charges thereon.	
8700-015-001—For transfer by the Controller to the Restitution Fund from the General Fund.....	3,313,000
8700-101-001—For local assistance, State Board of Control for reimbursement of special election costs pursuant to Chapter 39 of the Statutes of 1993 and of the costs of the special statewide election called by the Governor on November 2, 1993.....	14,100,000
8780-001-001—For support of Milton Marks Commission on California State Government Organization and Economy.....	595,000
Schedule:	
(a) 10-Commission on California State Government Organization and Economy.....	597,000
(b) Reimbursements.....	-2,000
8800-001-001—For support of Memberships in Interstate Organizations, to be allocated by the State Controller	763,000
Schedule:	
(a) 10-Council of State Governments	151,000
(b) 20-National Conference of State Legislatures.....	148,000
(c) 30-Western States Legislative Forestry Task Force	11,000

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(d) 35-Pacific Fisheries Legislative Task Force	11,000
(e) 40-Governmental Accounting Standards Board.....	35,000
(f) 50-State and Local Legal Center ..	4,000
(g) 60-National Governors' Association	70,000
(h) 70-Council of State Policy and Planning Agencies.....	7,000
(i) 80-Coastal States' Organization.....	5,000
(j) 90-Western Governors' Association	15,000
(k) 91-National Center for State Courts.....	127,000
(l) 92-Western Interstate Commission for Higher Education.....	79,000
(m) 93-Education Commission of the States	100,000
8820-001-001—For support of Commission on the Status of Women.....	418,000
Schedule:	
(a) 100000-Personal Services.....	281,000
(b) 300000-Operating Expenses and Equipment.....	142,000
(c) Reimbursements.....	-5,000
8830-001-001—For support of California Law Revision Commission	419,000
Schedule:	
(a) 10-Law Revision Commission.....	419,000
Provisions:	
1. The California Law Revision Commission shall not limit its scheduled meetings to Sacramento. On a periodic basis, meetings shall be held at other locations in the state, as determined by the commission.	
8840-001-001—For support of California Commission on Uniform State Laws.....	94,000
8855-001-001—For support of the Bureau of State Audits, for transfer to the State Audit Fund	7,973,000
Schedule:	
(a) 10-State Auditor	8,448,000
(b) Reimbursements.....	-475,000
Provisions:	
1. The Bureau of State Audits shall contract with an independent consultant to evaluate the cost-effectiveness of the early and continuing AFDC fraud programs. The bureau shall, by August 15,	

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<p>1994, submit a draft Request For Proposal for the evaluation to the chairpersons of the fiscal and appropriate policy committees of each house, the Joint Legislative Budget Committee, and the Department of Finance for review and comment 30 days prior to releasing the RFP. The results of the evaluation shall be submitted directly to the Legislature by March 15, 1995. It is the intent of the Legislature that the study include a sample of small, medium, and large counties, in addition to any available statewide data, and encompass the major components of the early and continuing fraud programs.</p> <p>2. (a) The Bureau of State Audits shall contract not later than October 1, 1994, with an independent consultant to review the State-wide Automated Welfare System (SAWS) project. The consultant shall, as specified below, report on the status of the review and the results of the review, including results and recommendations, to the chairpersons of the fiscal committees, the chairpersons of the relevant policy committees, the Chairperson of the Joint Legislative Budget Committee, the Department of Social Services, the Health and Welfare Agency Data Center, and the Department of Finance.</p> <p>(b) The Department of Social Services, the Department of Finance, the Legislative Analyst's office, the Legislative Counsel, and staff of the fiscal committees and the relevant policy committees shall advise the Bureau of State Audits in its development of the Request for Proposal to solicit bids for the position of consultant.</p> <p>(c) The consultant shall do all of the following tasks:</p> <p>(1) Determine whether one computer hardware or software system, or both, for all counties is the most cost-effective choice for welfare automation. The consultant's evaluation shall include a review of the NAPAS, MAGIC, and LEADER systems, as well as a review of a centralized state-operated automated welfare system</p>	

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	<p>versus a decentralized county-operated automated welfare system. This evaluation shall include a review of the business base directly associated with an automated welfare system made to determine system selection.</p>	
	<p>(2) Assess the adequacy of the Department of Social Services' evaluation plan for the Interim SAWS project. In addition to conducting a review of the evaluation plan, the consultant shall also participate in the evaluation process, including the evaluation methodology, establishment of benchmarks, data gathering, and analysis of the results.</p>	
	<p>(3) Participate in developing, and conducting the evaluation of, any additional SAWS demonstrations that the Department of Social Services may undertake.</p>	
	<p>(4) Work with the Department of Social Services on the development of criteria and specifications for the procurement necessary for statewide SAWS implementation.</p>	
	<p>(5) Report on its activities and findings every four months, with the first report due not later than 120 days following the award of the contract to the consultant.</p>	
	<p>(d) The consultant's initial report shall reflect completion of the task required by paragraph (1) of subdivision (c), and the remaining tasks shall be completed in coordination with the Department of Social Services' schedule for SAWS implementation.</p>	
	<p>(e) Any consultant who has been involved, either as a prime contractor or subcontractor, in the development, implementation or operation of any Family Assistance Management Information System (FAMIS) project, shall be precluded from participation in the consultant contract awarded by the Bureau of State Audits, or in any subcontract that may be let by the successful prime contractor.</p>	

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<ul style="list-style-type: none"> (f) The prime contractor awarded a contract by the Bureau of State Audits to conduct the tasks specified in subdivision (c), or any sub-contractor to the prime contractor for the accomplishment of these tasks, shall be precluded from participation in any subsequent procurement for the development, implementation, or operation of the SAWS. (g) As a condition of contract award, the prime contractor shall provide assurance that no one assigned by the prime contractor, or any of its subcontractors under the contract, has a conflict of interest with respect to a fiduciary relationship with a current or potential vendor hired by the state, or a county, for the development, implementation, or operation of the SAWS. 	
8860-001-001—For support of Department of Finance.	21,031,000
Schedule:	
(a) 10-Annual Financial Plan	12,103,000
(b) 20-Program and Information System Assessments	6,832,000
(c) 30-Supportive Data	8,076,000
(d) 40.01-Administration	3,766,000
(e) 40.02-Distributed Administration .	-3,261,000
(f) Reimbursements.....	-6,485,000
Provisions:	
1. The funds appropriated in this item for CALSTARS shall be transferred by the Controller, upon order of the Department of Finance, or made available by the Department of Finance as a reimbursement, to other items and departments for CALSTARS related activities by the Department of Finance.	
2. The funds appropriated in this act for purposes of CALSTARS related data processing costs may be transferred between any items in this act by the Controller upon order of the Director of Finance. Any funds so transferred shall be used only for support of CALSTARS related data processing costs incurred.	
3. No electronic data processing projects may be given sole source approval any sooner than 30 days after written notification of intention to grant sole source approval is provided to the fiscal committees and the Joint Legislative Budget Committee (JLBC) or any sooner than what-	

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<p>ever lesser time the Chairperson of the JLBC shall determine.</p> <p>4. The Office of Information Technology (office) shall not have organizational responsibilities for the development or management of information technology programs within the Department of Finance (department). In addition, the office shall not be responsible for approving any data processing systems within the department. The department shall not implement any change in systems which would have otherwise required approval by the office sooner than 30 days after notification in writing to the Chairperson of the Joint Legislative Budget Committee (JLBC) or whatever lesser time the Chairperson of the JLBC, or his or her designee may determine.</p> <p>5. (a) The Bureau of State Audits shall conduct a management review of the Office of Information Technology (OIT) and shall report its findings to the Joint Legislative Budget Committee and the appropriate fiscal and policy committees of the Legislature by December 1, 1994. The bureau shall review and evaluate the processes used by OIT for reviewing information technology projects and purchases. The bureau shall evaluate the degree to which OIT, through these processes, provides statewide oversight, statewide coordination, statewide leadership, and effective uses of information technology.</p> <p>(b) The bureau shall make recommendations for statutory and procedural changes necessary to enable OIT to provide statewide leadership, statewide oversight, and statewide coordination, and ensure effective uses of information technology.</p> <p>(c) The Department of Finance shall reimburse the bureau, on or before December 1, 1994, for expenditures related to the management review.</p> <p>6. The Department of Finance shall report to the Joint Legislative Budget Committee and the appropriate fiscal and policy committees of the Legislature by January 10, 1995, its recommendations for statutory and procedural changes</p>	

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necessary for OIT to provide statewide leadership, statewide oversight, and statewide coordination, and ensure effective uses of information technology. The report shall include a timetable for implementation of these recommendations.	
8882-001-001—For support of Constitution Revision Commission	474,000
Schedule:	
(a) Support.....	474,000
8885-001-001—For support of Commission on State Mandates, Program 10	528,000
8885-101-001—For local assistance, Commission on State Mandates, for reimbursement, in accordance with the provisions of Section 6 of Article XIII B of the California Constitution or of Section 17561 of the Government Code, of the costs of any new program or increased level of service of an existing program mandated by statute or executive order, Controller	43,728,000
Schedule:	
(1) 02.50.098.084—Court audits and proration of fines	0
(2) 02.50.033.281—Victim’s statements—minors	0
(3) 02.50.139.976—Custody of minors	3,347,000
(4) 02.50.088.981—Lis pendens.....	0
(5) 06.90.103.280—Deaf teletype equipment	0
(6) 06.90.133.487—CPR pocket masks	0
(7) 08.20.091.379—Domestic violence diversion.....	1,070,000
(8) 08.20.160.984—Domestic violence information.....	0
(9) 08.20.108.888—Search Warrants: AIDS.....	804,000
(10) 08.90.007.778—Absentee ballots ..	3,409,000
(11) 08.90.039.188—Brendon Maguire Act.....	1,000
(12) 08.90.049.479—Handicapped voter access.....	0
(13) 08.90.070.475—Registration by mail.....	1,269,000
(14) 08.90.101.381—Local Elections ...	0
(15) 08.90.140.176—Voter Registration Roll Purge.....	0
(16) 08.90.142.282—Permanent absent voters.....	291,000

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(17) 08.90.160.382—Democratic presidential delegates	0
(18) 08.90.104.285—Election materials	0
(19) 17.30.023.874—Substandard housing	0
(20) 17.30.149.084—Business tax reporting requirements	3,074,000
(21) 22.40.114.380—Regional housing needs	0
(22) 34.80.113.175—Mineral resource policies	0
(23) 37.20.133.076—Local coastal plans .	0
(24) 42.60.045.374—Sudden infant death syndrome notices	31,000
(25) 42.60.116.381—Medi-Cal beneficiary death notices	89,000
(26) 42.60.159.788—Inmates AIDS testing	1,113,000
(27) 42.60.095.589—SIDS autopsies	1,674,000
(28) 43.00.132.784—Short-Doyle audits	0
(29) 43.00.049.877—Coroners	91,000
(30) 43.00.064.480—Judicial proceeding	65,000
(31) 43.00.069.475—Attorney's fees	165,000
(32) 43.00.125.380—MR representation	92,000
(33) 43.00.130.480—Conservatorships .	84,000
(34) 44.40.081.579—Short-Doyle case management	0
(35) 44.40.103.678—MDSO Recommendations	162,000
(36) 44.40.135.285—Residential care services	0
(37) 44.40.128.685—Homeless Mentally Ill	1,000
(38) 44.40.174.784—Education of handicapped students	20,660,000
(39) 81.00.064.186—Open Meetings Act notices	2,066,000
(40) 81.70.135.776—Guardianship/conservatorship filings	0
(41) 81.75.112.377—Adult felony restitution	0
(42) 83.50.156.882—Firefighters' cancer presumption	556,000

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(43) 83.50.117.189—Peace officer cancer presumption.....	600,000
(44) 83.50.999.001—Personal alarm devices.....	0
(45) 83.50.999.002—Structural and wildland firefighters' safety clothing and equipment.....	0
(46) 83.80.084.578—Filipino employee surveys.....	0
(47) 91.00.004.887—Property taxation.	0
(48) 91.00.124.277—Senior citizens' property tax deferral.....	250,000
(49) 91.00.128.180—Involuntary lien notices.....	0
(50) 91.00.105.183—Mobilehome property tax deferral.....	0
(51) 91.00.092.187—Countywide tax rates.....	339,000
(52) 88.85.048.675—Test claims and reimbursement claims.....	2,425,000

Provisions:

1. Except as provided in Provision 2 below, allocations of funds provided in this item to the appropriate local entities shall be made by the Controller in accordance with the provisions of each statute or executive order that mandates the reimbursement of the costs, and shall be audited to verify the actual amount of the mandated costs in accordance with subdivision (d) of Section 17561 of the Government Code. Audit adjustments to prior year claims may be paid from this item. Funds appropriated in this item may be used to provide reimbursement pursuant to Article 5 (commencing with Section 17615) of Chapter 4 of Part 7 of Division 4 of Title 2 of the Government Code.
2. If any of the scheduled amounts are insufficient to provide full reimbursement of costs, the Controller may, upon notifying the Director of Finance in writing, augment those deficient amounts from the unencumbered balance of any other scheduled amounts therein. No order may be issued pursuant to this provision unless written notification of the necessity therefor is provided to the chairperson of the committee in each house which considers appropriations and

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the Chairperson of the Joint Legislative Budget Committee or his or her designee.	
3. Pursuant to Section 77203 of the Government Code, the funds provided in this item shall not be used to reimburse counties participating in the Trial Court Funding Program for any costs for court operations. The programs which involve only court operations include, but are not limited to, any of the following:	
(a) Compensation of justice court judges (Ch. 1355, Stats. 1976).	
(b) Judicial arbitration (Ch. 743, Stats. 1978).	
(c) San Francisco superior court judgeship (Ch. 1018, Stats. 1979).	
(d) Marriage mediators (Ch. 48, Stats. 1980).	
(e) Judges' per diem (Ch. 1580, Stats. 1984).	
(f) Charging documents (Ch. 1111, Stats. 1981).	
(g) Parent child counsel (Ch. 810, Stats. 1981).	
(h) Firearms Prohibition (Ch. 1562, Stats. 1984).	
(i) Assigned judges (Ch. 670, Stats. 1987).	
The programs which involve court operations, as well as other activities include, but are not limited to, the following:	
(a) MDSO Recommitments (Ch. 1036, Stats. 1978, Ch. 991, Stats. 1979).	
(b) Guardianship/Conservatorship filings (Ch. 1357, Stats. 1976).	
4. Pursuant to Section 17581 of the Government Code, mandates identified in the appropriation schedule of this item with an appropriation of \$0 and included in the language of this provision are specifically identified by the Legislature for suspension during the 1994-95 fiscal year:	
(a) Lis Pendens (Ch. 889, Stats. 1981).	
(b) Involuntary Lien Notices (Ch. 1281, Stats. 1980).	
(c) Victims Statements—Minors (Ch. 332, Stats. 1981).	
(d) Short-Doyle Audits—(Ch. 1327, Stats. 1984).	
(e) Short-Doyle Case Management—(Ch. 815, Stats. 1979).	
(f) Residential Care Services—(Ch. 1352, Stats. 1985).	
(g) Local coastal plans—(Ch. 1330, Stats. 1976).	

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(h) Adult Felony Restitution—(Ch. 1123, Stats. 1977).	
(i) Mineral resource policies—(Ch. 1131, Stats. 1975).	
(j) Court audits and proration of fines—(Ch. 980, Stats. 1984).	
(k) Deaf teletype equipment—(Ch. 1032, Stats. 1980).	
(l) CPR Pocket Masks—(Ch. 1334, Stats. 1987).	
(m) Domestic violence information—(Ch. 1609, Stats. 1984).	
(n) Handicapped voter access—(Ch. 494, Stats. 1979).	
(o) Local elections—(Ch. 1013, Stats. 1981).	
(p) Voter Registration Roll Purge—(Ch. 1401, Stats. 1976).	
(q) Democratic presidential delegates—(Ch. 1603, Stats. 1982, Ch. 8, Stats. 1988).	
(r) Election materials—(Ch. 1042, Stats. 1985).	
(s) Substandard housing—(Ch. 238, Stats. 1974).	
(t) Regional housing needs—(Ch. 1143, Stats. 1980).	
(u) Guardianship/conservatorship filings—(Ch. 1357, Stats. 1976).	
(v) Personal alarm devices—(8 Cal. Code Regs. Section 3401(c)).	
(w) Structural and wildland firefighters safety clothing and equipment—(8 Cal. Code Regs. Sections 3401–3410).	
(x) Filipino employee surveys—(Ch. 845, Stats. 1978).	
(y) Property taxation—(Ch. 48, Stats. 1987).	
(z) Mobilehome property tax deferral—(Ch. 1051, Stats. 1983).	
8885-111-001—For local assistance, Commission on State Mandates, (Proposition 98), for reimbursement, in accordance with the provisions of Section 6 of Article XIII B of the California Constitution or of Section 17561 of the Government Code, of the costs of any new program or increased level of service of an existing program mandated by statute or executive order, Controller.....	100,888,000
Schedule:	
(1) 19.00.079.980—Increased death benefits	639,000
(2) 19.00.103.679—Increased benefits	2,787,000

Item	Amount
(3) 19.00.117.078—Increased pension .	9,587,000
(4) 19.00.139.874—Retirement— Unused sick leave.....	2,646,000
(5) 61.00.049.800—Expulsion reports ..	434,000
(6) 61.00.049.801—Graduation Re- quirement.....	2,967,000
(7) 61.00.049.802—Notification of Tru- ancy.....	2,870,000
(8) 61.00.049.883—Teacher evaluators .	667,000
(9) 61.00.064.186—Open Meetings Act	395,000
(10) 61.00.096.175—Collective barg- aining.....	26,504,000
(11) 61.00.101.184—Juvenile court records.....	47,000
(12) 61.00.110.784—Removal of Chemicals.....	3,180,000
(13) 61.00.117.677—Immunization records.....	2,019,000
(14) 61.00.125.375—Expulsion of pu- pils—Transcripts.....	6,000
(15) 61.00.134.780—Scoliosis screen- ing.....	1,113,000
(16) 61.00.137.687—Credential moni- toring.....	667,000
(17) 61.00.048.675—Test claims and reimbursement claims.....	2,424,000
(19) 61.00.165.984—Emergency pro- cedures.....	1,033,000
(20) 63.00.103.679—STRS rate in- crease.....	30,259,000
(21) 63.00.128.680—STRS cost-of-liv- ing adjustment.....	10,644,000

Provisions:

1. Except as provided in Provisions 2, 3, and 4, allocations of funds provided in this item to the appropriate local entities shall be made by the Controller in accordance with the provisions of each statute or executive order that mandates the reimbursement of the costs, and shall be audited to verify the actual amount of the mandated costs in accordance with subdivision (d) of Section 17561 of the Government Code. Audit adjustments to prior year claims may be paid from this item. Funds appropriated in this item may be used to provide reimbursement pursuant to Article 5 (commencing with Section

Item	Amount
17615) of Chapter 4 of Part 7 of Division 4 of Title 2 of the Government Code.	
2. The funds appropriated in Schedules 20 and 21 are for transfer to the State Teachers' Retirement Fund for the State Teachers' Retirement System for reimbursement of costs incurred pursuant to Chapter 1036 of the Statutes of 1979 and Chapter 1286 of the Statutes of 1980.	
3. If any of the scheduled amounts are insufficient to provide full reimbursement of costs, the State Controller may, upon notifying the Director of Finance in writing, augment those deficient amounts from the unencumbered balance of any other scheduled amounts therein, except those as provided in Provisions 1 and 2. No order may be issued pursuant to this provision unless written notification of the necessity therefor is provided to the chairperson of the committee in each house which considers appropriations and the Chairperson of the Joint Legislative Budget Committee or his or her designee.	
4. Notwithstanding any other provision of law, the funds appropriated in Schedules 1, 2, 3 and 4 are for transfer to the Public Employees' Retirement System for reimbursement of costs incurred pursuant to Chapter 1398 of the Statutes of 1974, Chapter 1170 of the Statutes of 1978, or Chapter 1036 of the Statutes of 1979.	
8885-112-001—For local assistance, Commission on State Mandates, (Proposition 98), for reimbursement, in accordance with the provisions of Section 6 of Article XIII B of the California Constitution or of Section 17561 of the Government Code, of the costs of any new program or increased level of service of an existing program mandated by statute or executive order, State Controller.....	1,558,000
Schedule:	
(1) 68.70.000.184—Health fee	1,558,000
Provisions:	
1. Allocations of funds provided in this item to the appropriate local entities shall be made by the State Controller in accordance with the provisions of each statute or executive order that mandates the reimbursement of the costs, and shall be audited to verify the actual amount of the mandated costs in accordance with subdivision (d) of Section 17561 of the Government	

Item	Amount
Code. Audit adjustments to prior year claims may be paid from this item. Funds appropriated in this item may be used to provide reimbursement pursuant to Article 5 (commencing with Section 17615) of Chapter 4 of Part 7 of Division 4 of Title 2 of the Government Code.	
8910-001-001—For support of Office of Administrative Law	1,940,000
Schedule:	
(a) 10-Regulatory Oversight	2,140,000
(b) Reimbursements.....	—200,000
8940-001-001—For support of Military Department	18,961,000
Schedule:	
(a) 10-Army National Guard.....	31,094,000
(b) 20-Air National Guard	11,669,000
(c) 30.01-Office of the Adjutant General	5,078,000
(d) 30.02-Distributed Office of the Adjutant General	—5,078,000
(e) 35-Military Support to Civil Authority.....	1,363,000
(f) 40-Military Retirement	2,616,000
(i) 60-Farm and Home Loan	18,000
(ix) 65-California National Guard youth programs.....	10,990,000
(j) 71-California Innovative Military Projects and Career Training.....	352,000
(k) Reimbursements.....	—830,000
(l) Amount payable from the Armory Discretionary Improvement Fund (Item 8940-001-485)	—150,000
(m) Amount payable from the Federal Trust Fund (Item 8940-001-890).....	—40,755,000
Provisions:	
1. No expenditures shall be made from the funds appropriated by this item as a substitution for personnel, equipment, facilities, or other assistance, or for any portion thereof, that, in the absence of the expenditure, or of this appropriation, would be available to the Adjutant General of the State Military Forces, the California National Guard, or the California National Guard Reserve from the federal government.	
2. The funds appropriated in Schedule (f) shall be for military retirements, in accordance with	

Item	Amount
Sections 228 and 256 of the Military and Veterans Code.	
3. The funds appropriated in Schedule (j) shall be for funding the California Innovative Military Projects and Career Training Program (IMPACT) in Oakland.	
8940-001-485—For support of the Military Department, for payment to Item 8940-001-001, payable from the Armory Discretionary Improvement Fund.....	150,000
Provisions:	
1. No expenditures shall be made from this appropriation until sufficient revenues or income from armories have been deposited into the State Treasury to the credit of the General Fund pursuant to the Military and Veterans Code Section 431 (c).	
8940-001-890—For support of Military Department, for payment to Item 8940-001-001, payable from the Federal Trust Fund	40,755,000
8940-301-001—For capital outlay, Military Department Schedule:	1,580,000
(1) 70.10.010-Statewide: Project planning, working drawings, and supervision of construction.....	1,580,000
8940-301-754—For capital outlay, Military Department payable from the Public Safety Fund (1994)	50,000
Schedule:	
(1) 70.15.010-Statewide: Preplanning and Budget Packages	50,000
8940-301-890—For capital outlay, Military Department, payable from the Federal Trust Fund	4,086,000
Schedule:	
(1) 70.10.010-Statewide: Project planning, working drawings, and supervision of construction.....	4,086,000
9100-101-001—For local assistance, Tax Relief	449,838,000
Schedule:	
(a) 10-Senior Citizens' Property Tax Assistance.....	2,268,000
(b) 20-Senior Citizens' Property Tax Deferral Program.....	16,000,000
(c) 30-Senior Citizen Renters' Tax Assistance	14,000,000
(d) 50-Homeowners' Property Tax Relief	381,200,000
(e) 60-Subventions for Open Space ...	36,000,000
(f) 90-Substandard Housing	370,000

Item

Amount

Provisions:

1. Schedule (a) is for property tax assistance to homeowner claimants in accordance with the Senior Citizens Property Tax Assistance and Postponement Law, Part 10.5 (commencing with Section 20501), of Division 2 of the Revenue and Taxation Code.

Any unexpended balance in Schedule (a) may be used to make payments to senior citizen renter claimants under Schedule (c).

2. Schedule (b) is for property tax postponement and assistance to claimants in accordance with the Senior Citizens Property Tax Assistance and Postponement Law, Part 10.5 (commencing with Section 20501), of Division 2 of the Revenue and Taxation Code. The appropriation made by this schedule shall be in lieu of the appropriation for the same purpose contained in Section 16100 of the Government Code.
3. Schedule (c) is for property tax assistance to renter claimants in accordance with the Senior Citizens Property Tax Assistance and Postponement Law, Part 10.5 (commencing with Section 20501), of Division 2 of the Revenue and Taxation Code.

Any unexpended balance in Schedule (c) may be used to make payments to senior citizen homeowner claimants under Schedule (a).

4. Schedule (d) is for reimbursement to local taxing authorities for revenue lost by reason of the homeowners' property tax exemption granted pursuant to subdivision (k) of Section 3 of Article XIII of the California Constitution. The appropriation made by this schedule shall be in lieu of the appropriation required pursuant to Section 25 of Article XIII of the California Constitution and the appropriation for the same purposes contained in Section 16100 or Section 16120 of the Government Code.
5. Schedule (e) is for providing reimbursement to local taxing authorities for revenue lost by reason of the assessment of open-space lands under Sections 423, 423.3, and 423.5 of the Revenue and Taxation Code, and in accordance with Chapter 3 (commencing with Section 16140) of Part 1 of Division 4 of Title 2 of the Government Code. The appropriation made by this schedule shall

Item	Amount
<p>be in lieu of the appropriation for the same purpose contained in Section 16100 or Section 16140 of the Government Code.</p> <p>6. Schedule (f) is for transfer by the Controller to the Local Agency Code Enforcement and Rehabilitation Fund, for the purpose of providing funds to defray costs incurred in the enforcement of local housing code provisions and to fund housing rehabilitation programs for persons and families of low and moderate income, as defined in Section 50093 of the Health and Safety Code, to be allocated to local agencies, prorated on the basis of their share of disallowed deductions which resulted from the agencies' proceedings.</p> <p style="padding-left: 2em;">This amount is in lieu of any statutory requirement.</p>	
<p>9100-102-001—For local assistance, Tax Relief.....</p> <p>Provisions:</p> <p>1. The funds appropriated in this item are for allocation by the Controller to counties for functions associated with the administration of the property tax system. The Controller shall allocate these funds based on a schedule prepared by the Department of Finance. The schedule shall be based on each county's share of the amount of property tax shifted to the Educational Revenue Augmentation Fund for the 1993-94 fiscal year, except that no county shall receive less than \$50,000.</p>	25,000,000
<p>9210-103-001—For local assistance, Local Government Financing. For assistance to redevelopment agencies, to be allocated by the Controller</p> <p>Provisions:</p> <p>1. The appropriation made by this item shall be in lieu of any appropriation required pursuant to Chapter 1.5 (commencing with Section 16110) of Part 1 of Division 4 of Title 2 of the Government Code.</p> <p>2. The Controller shall allocate funds appropriated in this item to redevelopment agencies that have pledged, pursuant to bond instruments and supporting documents, special supplemental subventions as security for payment of the principal and interest on bonds, and have demonstrated that gross tax increment revenues allocated to them in the 1993-94 fiscal year (as re-</p>	2,900,000

Item		Amount
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ported for inclusion in the State Controller’s “Annual Report of Financial Transactions Concerning Community Redevelopment Agencies of California, Fiscal Year 1993–94”), less housing set-aside amounts not available for debt service, and less any reserve requirement deficiency existing as of December 31, 1994, would be insufficient to cover their maximum annual debt service requirements on bonds to which special supplemental subventions have been pledged. The amount allocated to any redevelopment agency shall not exceed the lesser of: (a) the amount that the redevelopment agency would otherwise be entitled to receive pursuant to paragraph (3) of subdivision (c) of Section 16111 of the Government Code, or (b) the amount required by the redevelopment agency to cover its maximum annual debt service requirements on bonds to which special supplemental subventions have been pledged, plus any reserve requirement deficiency existing as of December 31, 1994, less the amount of gross tax increment revenues allocated to it in the 1993–94 fiscal year, less housing set-aside amounts not available for debt service.

3. If the allocation required pursuant to Provision 2 would exceed the amount of the appropriation in this item, the Controller shall prorate the allocation to those redevelopment agencies which meet the requirements of Provision 2.
4. Notwithstanding Section 2.00, the Controller shall allocate 50 percent of the appropriation in this item on or before December 31, 1994, and 50 percent of the appropriation in this item on July 31, 1995. Expenditure of the amount to be allocated on July 31, 1995, shall be accounted by the Controller as an expenditure of the 1995–96 fiscal year.

9210-495—Reversion, Local Government Financing. As of July 31, 1994, the unencumbered balance of the appropriation provided in the following citation shall revert to the General Fund:

(1) Item 9210-103-001, Budget Act of 1993, Local Assistance, Local Government Financing.

9620-001-001—For Payment of Interest on General Fund loans, upon order of the Director of Finance, for any General Fund loan

75,000,000

Item	Amount
Provisions:	
1. The Director of Finance, the State Controller, and the Treasurer shall satisfy any need of the General Fund for borrowed funds in a manner consistent with the Legislature's objective of obtaining the lowest possible rate of interest on this borrowing. The state fiscal officers shall use external borrowing rather than borrowing from internal state funds whenever it is economically advantageous to the General Fund.	
2. In the event that interest expenses related to internal borrowing exceed the amount appropriated in this item, there is hereby appropriated any amounts necessary to pay the interest. Moneys appropriated herein shall not be expended prior to 30 days after the Department of Finance notifies the Joint Legislative Budget Committee of the amount(s) necessary or not sooner than such lesser time as the Chairperson of the Joint Legislative Budget Committee may determine.	
9625-001-001—For Interest Payments to the Federal Government arising from the Cash Management Improvement Act of 1990	10,000,000
Provisions:	
1. Expenditures from this item shall be made by the Controller, subject to the approval of the Department of Finance, and shall be charged to the fiscal year in which the disbursement is issued.	
2. The Director of Finance shall notify the Chairperson of the Joint Legislative Budget Committee and the chairperson of the fiscal committees in each house when there are insufficient funds to satisfy the interest payment to the Federal Government.	
9625-001-494—For Interest Payments to the Federal Government arising from the Cash Management Improvement Act of 1990, payable from the appropriate special fund.....	1,000
Provisions:	
1. Provisions 1 and 2 of Item 9625-001-001 are also applicable to this item.	
9625-001-988—For Interest Payments to the Federal Government arising from the Cash Management Improvement Act of 1990, payable from the appropriate nongovernmental cost fund	1,000

Item	Amount
Provisions:	
1. Provisions 1 and 2 of Item 9625-001-001 are also applicable to this item.	
9650-001-001—For support of Health and Dental Benefits for Annuitants. For the state’s contribution for the cost of a health benefits plan and dental care premiums, for annuitants and other employees, in accordance with Sections 22825.7, 22828, 22829, and 22952 of the Government Code, and which is not chargeable to any other appropriation	300,487,000
Schedule:	
(a) Health benefit premiums.....	273,387,000
(b) Dental care premiums.....	27,100,000
Provisions:	
1. The maximum transfer amounts specified in subdivision (b) of Section 6.50 of this act shall not apply to this item.	
2. Notwithstanding Section 22819 of the Government Code or any other provision of law, annuitants and their family members, who were employed by the California State University, and who become eligible for Part A and Part B of Medicare during the 1994–95 fiscal year, shall not be enrolled in a basic health benefits plan during the 1994–95 fiscal year. If the annuitant or family member is enrolled in Part A and Part B of Medicare, he or she may enroll in a supplement to the Medicare plan. This provision shall not apply to employees and family members who are specifically excluded from enrollment in a supplement to the Medicare plan by federal law or regulation.	
9670-001-001—For equity claims before the State Board of Control, and for settlements and judgments in cases in which the state is represented by the Department of Justice, for the administration and payment of tort liability claims, settlements, compromises and judgments against the state, its officers, servants and employees of state agencies, departments, boards, bureaus or commissions supported from the General Fund, for expenditure by the Department of Justice, subject to approval of the Department of Finance in its discretion	1,000
Provisions:	
1. In the event that expenditures for purposes of Item 9670-001-001 exceed the amount appropriated in this item, the Director of Finance may	

Item	Amount
allocate sufficient amounts, not to exceed \$1,200,000, from the Special Fund for Economic Uncertainties, to this item.	
2. There is hereby appropriated from each fund, other than the General Fund, an amount sufficient for payment of tort liability claims, settlements, compromises, and judgments against the state, its officers, servants and employees of state agencies, departments, boards, bureaus, or commissions, arising from activities supported from that fund. No expenditure from any appropriation from a fund other than the General Fund for payment of tort liability claims, settlements, compromises, and judgments shall be made unless approved by the Department of Finance in its discretion.	
3. Expenditures made under this item shall be charged to the fiscal year in which the warrant is issued by the Controller.	
4. Payment under this item is limited in amount to claims, settlements, compromises, and judgments which do not exceed \$70,000, exclusive of interest, and no payment from this item exceeding that amount shall be approved by the Department of Finance or made by the Department of Justice.	
5. No payment shall be approved by the Department of Finance or made by the Department of Justice from this item except in full and final satisfaction of the claim, settlements, compromise, or judgment upon which the payment is based.	
6. Funding for the payment of tort liability claims, settlements, compromises, and judgments which require the approval of the Director of Finance shall first be considered from within the affected agency, department, board, bureau, or commission's existing budgeted resources. Payment pursuant to this item (from the General Fund or funds other than the General Fund) shall be made only after the affected agency, department, board, bureau, or commission has demonstrated to the Department of Finance that insufficient funds are available for payment of all or a portion of the claim.	
9800-001-001—For Augmentation for Employee Compensation	43,460,000

Item	Amount
Schedule:	
(a) General Salary Increase	43,460,000
Provisions:	
1. The maximum transfer amounts specified in subdivision (b) of Section 6.50 of this act shall not apply to this item.	
2. The funds appropriated in this item are for compensation increases and increases in benefits related thereto, to be allocated by executive order by the Department of Finance to specified public safety, twenty-four hour care and revenue producing agencies as determined by the Department of Finance, in augmentation of their respective appropriations or allocations for support or for other purposes, in such amounts as will make sufficient money available for each state officer or employee in the state service, whose compensation, or portion thereof, is chargeable to the General Fund, and each officer or employee of either house of the Legislature or joint committee thereof, to receive any such increases provided on or after July 1, 1994, by the Department of Personnel Administration, or any committee of the Legislature responsible for establishing salaries for officers and employees of the Legislature, as the case may be.	
3. Funds appropriated in this item for employee compensation increases are to be allocated by executive order of the Department of Finance to specified public safety, twenty-four hour care and revenue producing agencies as determined by the Department of Finance, in accordance with approved Memoranda of Understanding or, for employees excluded from collective bargaining in accordance with salary and benefit schedules established by the Department of Personnel Administration in accordance with Section 19826 of the Government Code.	
4. In addition to the funds appropriated in this item for employee compensation, funds appropriated in other items are appropriated and will be redirected to fund, and thereby satisfy, the provisions contained in current Memoranda of Understanding, as ratified by the Legislature, regarding the employee compensation increases for 1994-95 specified therein.	

Item	Amount
9800-001-494—For Augmentation for Employee Compensation, payable from other unallocated special funds.....	7,922,000
Schedule:	
(a) General Salary Increase	7,922,000
Provisions:	
1. The maximum transfer amounts specified in subdivision (b) of Section 6.50 of this act shall not apply to this item.	
2. The funds appropriated in this item are for compensation increases and increases in benefits related thereto, to be allocated by executive order by the Department of Finance to specified public safety, twenty-four hour care and revenue producing agencies as determined by the Department of Finance, in augmentation of their respective appropriations or allocations for support or for other purposes, in such amounts as will make sufficient money available for each state officer or employee in the state service, whose compensation, or portion thereof, is chargeable to special funds, to receive any such increases provided on or after July 1, 1994, by the Department of Personnel Administration.	
3. Funds appropriated in this item for employee compensation increases are to be allocated by executive order of the Department of Finance to specified public safety, twenty-four hour care and revenue producing agencies as determined by the Department of Finance, in accordance with approved Memoranda of Understanding or, for employees excluded from collective bargaining in accordance with salary and benefit schedules established by the Department of Personnel Administration in accordance with Section 19826 of the Government Code.	
4. In addition to the funds appropriated in this item for employee compensation, funds appropriated in other items are appropriated and will be redirected to fund, and thereby satisfy, the provisions contained in current Memoranda of Understanding, as ratified by the Legislature, regarding the employee compensation increases for 1994-95 specified therein.	
9800-001-988—For Augmentation for Employee Compensation, payable from other unallocated non-governmental cost funds.....	14,156,000

Item	Amount
Schedule:	
(a) General Salary Increase.....	14,156,000
Provisions:	
1. The maximum transfer amounts specified in subdivision (b) of Section 6.50 of this act shall not apply to this item.	
2. The funds appropriated in this item are for compensation increases and increases in benefits related thereto, to be allocated by executive order by the Department of Finance to specified public safety, twenty-four hour care and revenue producing agencies as determined by the Department of Finance, in augmentation of their respective appropriations or allocations for support or for other purposes, in such amounts as will make sufficient money available for each state officer or employee in the state service, whose compensation, or portion thereof, is chargeable to nongovernmental cost funds, to receive any such increases provided on or after July 1, 1994, by the Department of Personnel Administration.	
3. Funds appropriated in this item for employee compensation increases are to be allocated by executive order of the Department of Finance to specified public safety, twenty-four hour care and revenue producing agencies as determined by the Department of Finance, in accordance with approved Memoranda of Understanding or, for employees excluded from collective bargaining in accordance with salary and benefit schedules established by the Department of Personnel Administration in accordance with Section 19826 of the Government Code.	
4. In addition to the funds appropriated in this item for employee compensation, funds appropriated in other items are appropriated and will be redirected to fund, and thereby satisfy, the provisions contained in current Memoranda of Understanding, as ratified by the Legislature, regarding the employee compensation increases for 1994-95 specified therein.	
9800-011-001—For Augmentation for Employee compensation (Proposition 98).....	422,000
Schedule:	
(a) General Salary Increase.....	422,000

Item

Amount

Provisions:

1. The maximum transfer amounts specified in subdivision (b) of Section 6.50 of this act shall not apply to this item.
2. The funds appropriated in this item are for compensation increases, to be allocated by executive order by the Department of Finance to specified public safety, twenty-four hour care and revenue producing agencies, as determined by the Department of Finance, in augmentation of their respective appropriations or allocations for support or for other purposes, in such amounts as will make sufficient money available for each state officer or employee in the state service, whose compensation, or portion thereof, is chargeable to the General Fund, to receive any such increases provided on or after July 1, 1994, by the Department of Personnel Administration.
3. Funds appropriated in this item for employee compensation increases are to be allocated by executive order of the Department of Finance to specified public safety, twenty-four hour care and revenue producing agencies, as determined by the Department of Finance, in accordance with approved Memoranda of Understanding or, for employees excluded from collective bargaining in accordance with salary and benefit schedules established by the Department of Personnel Administration in accordance with Section 19826 of the Government Code.
4. In addition to the funds appropriated in this item for employee compensation, funds appropriated in other items are appropriated and will be redirected to fund, and thereby satisfy, the provisions contained in current Memoranda of Understanding, as ratified by the Legislature, regarding the employee compensation increases for 1994-95 specified therein.

9840-001-001—For Reserve for Contingencies or Emergencies.....

1,500,000

Provisions:

1. The funds appropriated for reserve for contingencies or emergencies are to be expended only on written authorization of the Department of Finance for contingencies or emergencies.

Item	Amount
2. Contingencies within the meaning of these funds are defined as proposed expenditures arising from unexpected conditions or losses for which no appropriation, or insufficient appropriation, has been made by law and which, in the judgment of the Director of Finance, constitute cases of actual necessity. Emergencies within the meaning of this item are hereby defined as expenditures incurred in response to conditions of disaster or extreme peril which threaten the health or safety of persons or property within the state.	
3. Emergency and contingency expenditure authorizations and deficiency expenditure authorizations shall be limited to purposes which have been specifically approved by the Legislature in Budget Acts or other legislation, except that not more than \$200,000 of each fund may be expended for purposes for which no such specific prior authorizations exist.	
4. Authorizations for expenditures or deficiency expenditures arising from a contingency shall become effective no sooner than 30 days after notification in writing to the Joint Legislative Budget Committee, or no sooner than such lesser time as the committee, or its designee, may in each instance determine.	
5. For expenditure authorizations or deficiency expenditure authorizations arising from an emergency, the Director of Finance shall file with the Joint Legislative Budget Committee within 10 days after approval, copies of all executive orders and allotment promises for emergency-related encumbrance or expenditure authorizations stating the reasons for, and the amount of, all such authorizations, except that any emergency augmentation from this item to any program in excess of 10 percent of the amount authorized for expenditure in the 1994-95 fiscal year for such program shall become effective no sooner than 30 days after notification in writing to the Joint Legislative Budget Committee or no sooner than such lesser time as the committee, or its designee, may in each instance determine, except that no such limit shall apply if the Director of Finance states in writing to the Chairperson of the Joint Legislative Budget Commit-	

Item	Amount
tee the necessity and urgency for the allocation which, in the judgment of the director, makes prior approval impractical.	
6. For purposes for which the Governor previously vetoed funding, allocation of funds or authorization for deficiency expenditures shall not be made under the emergency provisions.	
9840-001-494—For Reserve for Contingencies or Emergencies, payable from unallocated special funds... Provisions:	1,500,000
1. Provisions 1, 2, 3, 4, 5, and 6 of Item 9840-001-001 are also applicable to this item.	
2. For the Reserve for Contingencies or Emergencies, payable from special funds, there are hereby appropriated from each special fund sums necessary to meet contingencies or emergencies, to be expended only on written authorization of the Director of Finance. No deficiencies shall be authorized by the Director of Finance in any appropriation of money from special funds made by this act for the 1994–95 fiscal year under the provisions of Section 11006 of the Government Code. Accounts, special accounts, and funds in the General Fund, that are treated as other governmental cost funds for accounting and budgeting purposes in accordance with Section 13303 of the Government Code, shall be considered to be special funds within the meaning of this item.	
9840-001-988—For Reserve for Contingencies or Emergencies, payable from unallocated nongovernmental cost funds Provisions:	1,500,000
1. Provisions 1, 2, 3, 4, 5, and 6 of Item 9840-001-001 are also applicable to this item.	
2. For Reserve for Contingencies or Emergencies, payable from nongovernmental cost funds, there is hereby appropriated from each nongovernmental cost fund that is subject to control or limited by this act, sums necessary to meet contingencies or emergencies, to be expended only on written authorization of the Director of Finance. No deficiencies shall be authorized by the Director of Finance in any appropriation of money from nongovernmental cost funds made by this act for the 1994–95 fiscal year under the	

Item		Amount
	provisions of Section 11006 of the Government Code.	

9840-011-001—	For Reserve for Contingencies or Emergencies (Loans)	(2,500,000)
	Provisions:	

1. This appropriation is for loans that may be made to state agencies which derive their support from the General Fund or from sources other than the General Fund, upon terms and conditions for repayment as may be prescribed by the Department of Finance. Any sum so loaned shall, if ordered by the Department of Finance, be transferred by the State Controller to the fund from which the support of the agency is derived.
2. No loan shall be made which requires repayment from a future legislative appropriation.
3. Authorizations for loans shall become effective no sooner than 30 days after notification in writing to the Joint Legislative Budget Committee, or no sooner than a lesser time which the committee, or its designee, may in each instance determine, except that this limit shall not apply if the Director of Finance states in writing to the Chair of the Joint Legislative Budget Committee the necessity and urgency for the loan which, in the judgment of the director, makes prior approval impractical.
4. Within 10 days after approval, the Director of Finance shall file with the Joint Legislative Budget Committee copies of all executive orders for loans stating the reasons for, and the amount of, all of these authorizations.

9840-490—Reappropriation, Reserve for Contingencies or Emergencies. As of June 30, 1994, the balances of the appropriations made by Items 9840-001-001, 9840-001-494 and 9840-001-988, Budget Act of 1993, shall revert to the unappropriated surplus of the General Fund, special funds, and nongovernmental cost funds, respectively.

As of July 1, 1994, the amounts reverted as of June 30, 1994, for Items 9840-001-001, 9840-001-494 and 9840-001-988, Budget Act of 1993, are reappropriated and shall be available until June 30, 1995, and may be expended on written authorization of the Department of Finance issued on or before said date, for contingencies and emergencies,

Item	Amount
within the meaning of said items, occurring during the 1993-94 fiscal year.	
9860-301-036—For unallocated capital outlay (10.10.010), payable from the Special Account for Capital Outlay	200,000
Provisions:	
1. These funds are to be allocated by the Department of Finance to state agencies to develop design and cost information for new projects for which funds have not been appropriated previously, but which are anticipated to be included in the 1995-96 or 1996-97 Governor’s Budget. The amount appropriated in this item shall not be construed as a commitment by the Legislature as to the amount of capital outlay funds it will appropriate in any future fiscal year.	
9860-301-842—For unallocated capital outlay, (10.10.020), Matching Funds for Energy Grants, Federal Schools and Hospitals Grants Program, payable from the Higher Education Capital Outlay Bond Fund of 1994	500,000
Provisions:	
1. These funds are to be allocated by the Department of Finance to the University of California, the California State University, the California Community Colleges, and the California Maritime Academy based on notification of acceptance of grant funding under the Federal Schools and Hospitals Grants Program.	
2. The Department of Finance, 30 days prior to allocation of funds appropriated under this item, shall report the proposed allocation to the Chairperson of the Joint Legislative Budget Committee and to the chairperson of the committee in each house which considers appropriations.	
3. The funds appropriated in this item shall be available for allocation by the Department of Finance during the 1994-95 fiscal year.	
9896-011-164—For transfer to the General Fund, from the Outer Continental Shelf Lands Act, Section 8(g) Revenue Fund.....	(15,724,000)
Provisions:	
1. Any funds that are deposited in the Outer Continental Shelf Lands Act, Section 8(g) Revenue Fund pursuant to the Southern Pacific consent decree shall be transferred to the General Fund.	

GENERAL SECTIONS STATEWIDE

SEC. 3.00. Whenever herein an appropriation is made for support, it shall include salaries and all other proper expenses, including repairs and equipment, incurred in connection with the institution, department, board, bureau, commission, officer, employee, or other agency for which the appropriation is made.

Each item appropriating funds for salaries and wages includes the additional funds necessary to continue the payment of the amount of salaries in effect on June 30, 1994, for the state officers whose salaries are specified by statute.

Whenever herein an appropriation is made for capital outlay, it shall include acquisition of land or other real property, major construction, improvements, equipment, designs, working plans, specifications, repairs, and equipment necessary in connection with a construction or improvement project.

Whenever herein any item of appropriation contains provisions for acquisition of land or other real property, it shall include all necessary expenses in connection with the acquisition of the property.

Whenever herein an appropriation is made in accordance with a schedule set forth after the appropriation, the expenditures from that item for each category, program, or project included in the schedule shall be limited to the amount specified for that category, program, or project, except as otherwise provided in this act. Each schedule is a restriction or limitation upon the expenditure of the respective appropriation made by this act, does not itself appropriate any money, and is not itself an item of appropriation.

As used in this act in reference to the schedules "category", "program", or "project" means a class of expenditure such as, but not limited to:

(a) "Personal services," which shall include all expenditures for payment of officers and employees of the state, including: salaries and wages, workers' compensation, compensation paid to employees on approved leave of absence on account of sickness, unemployment compensation benefits, insurance premiums for workers' compensation coverage, industrial disability leave and payments, nonindustrial disability benefits and payments, the state's contributions to the Public Employees' Retirement Fund, the Teachers' Retirement Fund, the University of California Retirement Fund to provide for that portion of retirement costs to be provided for Hastings College of the Law in Item 6600-001-001 of this Budget Act, the Old Age and Survivors' Insurance Revolving Fund, the Public Employees' Contingency Reserve Fund, and the state's cost of health benefits plans; but do not include compensation of independent contractors rendering personal services to the state under contract.

(b) "Operating expenses and equipment," which shall include all expenditures for purchase of materials, supplies, equipment, services

(other than services of state officers and employees), departmental services (services provided by other organizational units within a department, including indirect distributed costs), and all other proper expenses.

(c) "Preliminary plans" are defined as a site plan, architectural floor plans, elevations, outline specifications, and a cost estimate. For each utility, site development, conversion and remodeling project, the drawings shall be sufficiently descriptive to accurately convey the location, scope, cost, and the nature of the improvement being proposed.

(d) "Working drawings" are defined as a complete set of plans and specifications showing and describing all phases of a project, architectural, structural, mechanical, electrical, civil engineering, and landscaping systems to the degree necessary for the purposes of accurate bidding by contractors and for the use of artisans in constructing the project. All necessary professional fees and administrative service costs are included in the preparation of these drawings.

(e) "Construction," when used in connection with a capital outlay project, shall include all such related things as fixtures, installed equipment, auxiliary facilities, contingencies, project construction, management, administration and associated costs.

(f) "Minor projects" include planning, working drawings, construction, improvements, and equipment projects not specifically set forth in the schedule.

(g) "Programs" include all expenditures, regardless of category, required to carry out the objectives of the named activity.

For the purpose of further interpreting the meaning of the words, terms and phrases, and uniform codes used in the schedules, reference is hereby made to those documents entitled, "State of California Governor's Budget for 1994-95," submitted by the Governor to the Legislature at the 1994 portion of the 1994-95 Regular Session, the uniform accounting system prescribed by the Department of Finance under the provisions of Section 13300 et seq. of the Government Code, the Uniform Codes Manual, and the appropriate portions thereof. The Department of Finance shall establish interpretations necessary to carry out the provisions of this section and shall furnish the same to the State Controller and to every state agency to which appropriations are made under this act.

SEC. 3.50. Whenever herein an appropriation is made for support or other expenses for an institution, department, board, bureau, commission, officer, employee, or other agency, there shall be charged to the appropriation from which salaries and wages are paid: workers' compensation, compensation paid to employees on approved leave of absence on account of sickness, unemployment compensation benefits, industrial disability leave and payments, nonindustrial disability benefits and payments, the administrative costs of the Merit Award Program provided by Section 19823 of the Government Code, the state's contribution to the Public Employ-

ees' Retirement Fund as provided by Sections 20751 and 20752 of the Government Code, the state's contribution to the Teachers' Retirement Fund as provided by Sections 23000, 23400, and 23400.1 of the Education Code, the state's contribution to the Old Age and Survivors' Insurance Revolving Fund as provided by Sections 20782 and 20783 of the Government Code, the state's contribution to the Old Age and Survivors' Insurance Revolving Fund for payment of hospital insurance taxes imposed by the Internal Revenue Code, the state's contribution to the Public Employees' Contingency Reserve Fund, the state's contribution for the cost of health benefits plans as provided by Sections 22828 and 22829 of the Government Code, and the state's contribution for costs of other employee benefits and the administrative costs associated with the provision of benefits established by any state agency legally authorized to negotiate and set salary and benefit levels.

As of the effective date of this act, the state's contributions as provided by Sections 22828 and 22829 of the Government Code and for costs of any other employee benefits and the administrative costs associated with the provisions of these benefits established by any state agency legally authorized to negotiate and set salary and benefit levels for any month shall be charged to the same appropriations used for payment of salaries and wages from which the employee premium contributions for such month are deducted.

The appropriations made by Sections 20751, 20752, 20782, 20783, 22828, and 22829 of the Government Code and by Sections 23000, 23400 and 23400.1 of the Education Code, shall continue to be available for expenditure, and shall be charged for any expenditure which is not chargeable to an appropriation for support or other expenses as provided in this section. This transfer may be chargeable to such appropriation for a previous fiscal year if there are no funds available from that fiscal year.

The State Controller may transfer to the State Payroll Revolving Fund the contributions required by Sections 20751, 20752, 20782, 20783, 22828, and 22829 of the Government Code, contributions required for payment of the hospital insurance tax, and upon certification by the Board of Administration of the Public Employees' Retirement System as required by Section 20754 of the Government Code, may transfer from the State Payroll Revolving Fund to the Public Employees' Retirement Fund and the Old Age and Survivors' Insurance Revolving Fund the amounts of contributions.

SEC. 3.60. (a) Notwithstanding any other provision of law, the employers' retirement contributions for the 1994-95 fiscal year which are chargeable to an appropriation made in this act, with respect to each state officer and employee who is a member of the Public Employees' Retirement System and who is in such employment or office, including university members as provided by Section 20751 of the Government Code, shall be the percentage of salaries and wages by state member category as follows:

Miscellaneous, First Tier	9.934%
Miscellaneous, Second Tier	5.947%
State Industrial.....	10.597%
State Safety	13.927%
Highway Patrol.....	15.552%
Peace Officer/Firefighter.....	12.817%

The Department of Finance shall reduce amounts in any appropriation item, or in any category thereof, in this act that are determined to be in excess as a result of a reduction to the employers' contribution for 1994-95 fiscal year retirement benefits.

(b) Notwithstanding any other provisions of law, the Department of Finance shall require retirement contributions computed pursuant to subdivision (a) to be offset by the State Controller with surplus funds in the Public Employees' Retirement Fund, employer surplus asset accounts.

(c) Notwithstanding any other provision of law, for purposes of calculating the "appropriations subject to limitation" as defined in Section 8 of Article XIII B of the California Constitution, the appropriations in this act shall be deemed to be the amounts remaining after the reductions required by subdivisions (a) and (b) are made.

(d) Notwithstanding this section or any other provision of law, if funds remaining in the Investment Dividend Disbursement Account, the Purchasing Power Accounts, and the Extraordinary Performance Dividend Account in the Public Employees' Retirement Fund are used to reduce employer contributions pursuant to Section 20131.01 of the Government Code, funds appropriated in Items 0110-001-001 and 0120-011-001 of Section 2.00 of the Budget Act of 1994 shall not be reduced pursuant to this section or any other provision of law.

SEC. 3.85. Notwithstanding any other provision of this act, items of appropriation in this act shall be reduced, as appropriate, to reflect a cumulative reduction of one hundred fifty million dollars (\$150,000,000) resulting from a 10 percent reduction in the number of civil service manager and supervisor positions. The Director of Finance shall allocate the necessary reductions to accomplish the reduction required by this section. To the extent possible, vacant positions shall be eliminated to achieve the reduction. The Director of Finance shall notify the Chairperson of the Joint Legislative Budget Committee and the fiscal committees of the Legislature in writing no later than 30 days following the reduction of an appropriation pursuant to this section.

SEC. 4.00. (a) Notwithstanding any other provision of law, the employer's contributions for the 1994-95 fiscal year, which are chargeable to an appropriation made in this act, with respect to each state officer and employee shall be \$174 for basic and related major medical plans with respect to employees enrolled for self alone, or \$323 for an employee so enrolled for self and one family member, or \$410 for an employee so enrolled for self and two or more family

members, or, if less, the amount necessary to pay the cost of such person's enrollment, including the enrollment of such person's family members, in a health benefits plan or plans.

(b) Notwithstanding any other provision of law, the employer's contributions for the 1994-95 fiscal year, which are chargeable to an appropriation made in this act, with respect to an annuitant, or is a survivor of such person, shall be \$182 for basic and related major medical plans with respect to annuitants enrolled for self alone, or \$342 for an annuitant so enrolled for self and one family member, or \$415 for an annuitant so enrolled for self and two or more family members, or, if less, the amount necessary to pay the cost of such person's enrollment, including the enrollment of such person's family members, in a health benefit plan or plans.

SEC. 4.20. Notwithstanding any other provision of law, the employer's contributions to the Public Employees' Contingency Reserve Fund, as required by Section 22826 of the Government Code, shall be 0.5 percent of the gross health insurance premiums paid by the employer and employee for administrative expenses.

SEC. 5.25. (a) Payment of specified attorney's fee claims, settlements, compromises, and judgments arising from actions in state courts against the state, its officers, and officers and employees of state agencies, departments, boards, bureaus, or commissions, shall be paid from items of appropriation in this act which support the state operations of the affected agency, department, board, bureau, or commission.

(b) Expenditures authorized by subdivision (a) shall be made by the Controller, subject to the approval of the Department of Finance, and shall be charged to the fiscal year in which the disbursement is issued.

(c) Payments authorized by this section shall be made only for (1) state court actions filed pursuant to Section 1021.5 of the Code of Civil Procedure, the "private attorney general" doctrine, or the "substantial benefit" doctrine, or for (2) writ of mandate actions filed pursuant to Section 10962 of the Welfare and Institutions Code.

(d) No payment shall be made by the Controller for expenditures pursuant to subdivision (a) except in full and final satisfaction of the claim, settlement, compromise, or judgment for attorney's fees incurred in connection with a single action.

(e) The Director of Finance shall notify the Chairperson of the Joint Legislative Budget Committee, the Chairperson of the Senate Committee on Budget and Fiscal Review, and the Chairperson of the Assembly Committee on Ways and Means pursuant to Section 27.00 of this act when there are insufficient funds appropriated in this act in support of the state operations of the affected agency, department, board, bureau, or commission to satisfy the claim completely.

SEC. 6.00. No more than \$20,000 of the funds appropriated for support purposes under Section 2.00 of this act may be encumbered

for preliminary plans, working drawings, or construction of any project for the alteration of a state building unless the Director of Finance determines that the proposed alteration is critical and that it is necessary to proceed using funds appropriated for support purposes. The maximum cost of any such project shall not exceed \$250,000, and any approved critical project costing more than \$20,000, but not greater than \$250,000, shall be reported to the Chairperson of the Joint Legislative Budget Committee or his or her designee, not less than 30 days prior to requesting bids for the project. The report shall detail those factors which make the project so critical that it must proceed using support funds.

SEC. 6.50. (a) The Department of Finance may, pursuant to a request by the officer, department, division, bureau, board, commission, or other agency to which an appropriation is made herein, authorize the augmentation of the amount available for expenditure for a category, program, or project designated in any schedule set forth for the appropriation by transfer from any of the other designated categories, programs, or projects within the same schedule. The Department of Finance shall furnish the chairperson of the committee in each house which considers appropriations and the Chairperson of the Joint Legislative Budget Committee with a report on all authorizations given pursuant to this section during the preceding quarter.

(b) Augmentations of amounts available for expenditure for a category, program, or project designated in any line of any schedule for personal services or operating expenses and equipment set forth for that appropriation by transfer from any of the other designated categories, programs, or projects within the same schedule shall not exceed, during any fiscal year:

(1) 20 percent of the amount so scheduled on that line for those support appropriations made herein which are \$2,000,000 or less.

(2) \$400,000 of the amount so scheduled on that line for those support appropriations made herein which are more than \$2,000,000 but equal to or less than \$4,000,000.

(3) 10 percent of the amount so scheduled on that line for those support appropriations made herein which are more than \$4,000,000.

(4) The Department of Transportation Highway Program shall be limited to a schedule change of 10 percent.

(c) Any transfer in excess of \$100,000, and any transfer, regardless of the amount, for the purpose of funding a task force or advisory council created by executive order of the Governor, may be authorized pursuant to this section not sooner than 30 days after notification in writing of the necessity therefor is provided to the chairperson of the committee in each house which considers appropriations and the Chairperson of the Joint Legislative Budget Committee, or not sooner than whatever lesser time the Chairperson of the Joint Legislative Budget Committee, or his or her designee, may in each instance determine.

(d) Any transfer in excess of the limitations provided in subdivision (b) may be authorized only upon approval of the Chairperson of the Joint Legislative Budget Committee.

SEC. 7.50. Whenever an expenditure is authorized from the reserve for contingencies or emergencies, from price increase funds, from employee benefits or special salary adjustments funds, from total equivalent compensation funds, from the salary increase funds, or from a fund pursuant to Section 11006 of the Government Code, in addition to an appropriation made by this act, such authorized expenditures may, for accounting purposes, be deemed to be an augmentation and increase of the appropriation made by this act.

SEC. 8.50. (a) In making appropriations to state agencies which are eligible for federal programs, it is the intent and understanding of the Legislature that applications made by the agencies for federal funds under federal programs shall be for the maximum amount allowable under federal law. Therefore, any amounts received from the federal government are hereby appropriated from federal funds for expenditure or for transfer to, and disbursement from, the State Treasury Fund established for the purpose of receiving the federal assistance subject to any provisions of this act which are applicable to the expenditure of these funds, including Section 28.00 of this act.

(b) The Director of Finance shall notify the chairperson of the committee in each house that considers appropriations, and the Chairperson of the Joint Legislative Budget Committee, in writing, of any shortfalls in the amount of federal funds assumed in this act to be received by the state for the 1994–95 fiscal year (as reflected in the Final Change Book) and the amount of the shortfalls, subject to the following conditions:

(1) The notification required by this subdivision shall be provided within 15 days after either of the following events:

(A) Enactment of any federal budget legislation that does not provide the full amount of funds that are assumed in this act for program areas or functions covered by that federal legislation.

(B) Notification by the federal government of the unavailability of federal funds assumed in this act or of an amount of funding that is less than the amount assumed in this act.

(2) Notification shall be provided for any federal funding shortfall in excess of 5 percent or \$10,000,000, whichever is less, in either of the following:

(A) Amounts for individual grants, matching funds, or block grants that are appropriated from federal funds in any item in this act or have been assumed in this act to offset or augment program costs, excluding changes in federal funding amounts that reflect only changes in actual caseloads or program costs from budget estimates.

(B) Any federal payment or reimbursement that is included in available resources appropriated by this act.

(c) In addition, the Director of Finance shall provide the following information to the chairperson of the committee in each house

that considers appropriations, and the Chairperson of the Joint Legislative Budget Committee, within 30 days after the determination of a federal funding shortfall for which subdivision (b) requires notification:

(1) A plan of revised expenditures for each program affected by a shortfall. That plan shall be operative on an interim basis for up to 45 days pending legislative review, after which time the plan shall be operative indefinitely until the enactment of superseding legislation.

(2) The effect of reduced federal funding on service levels authorized by this act or any other provision of law.

(3) A plan for financing any additional costs or revenue losses caused by the reduction in federal funding.

SEC. 8.51. Each state agency shall, by certification to the State Controller, identify the account within the Federal Trust Fund when charges are made against any appropriation made herein from the Federal Trust Fund.

SEC. 9.10. The Supplemental Report of the Committee on Conference on the Budget Bill, that contains agreed language on statements of intent or requests for studies and that was submitted to the Senate and Assembly concurrently with consideration of the Budget Bill for the 1994-95 fiscal year, reflects the intent of the Legislature in enacting the Budget Act of 1994 and should be interpreted as such by the various agencies of state government affected by the statements contained in the report. The Legislative Analyst shall transmit copies of the report to all agencies to which statements of intent and requests for studies are directed so that each may be fully informed of the intent of the Legislature.

SEC. 9.20. Notwithstanding Section 15860 of the Government Code, the amount of funds expended for administrative costs associated with any appropriation contained herein for acquisition of property pursuant to the Property Acquisition Law shall be limited to the amount specified for such costs in the Supplemental Report of the 1994 Budget Act. Amounts for administrative costs may be augmented by no more than 5 percent by the State Public Works Board. Notwithstanding the foregoing, any amounts needed for administrative costs associated with acquisition through the condemnation authority of the State Public Works Board shall be provided through augmentation of the affected appropriations as authorized by existing law.

SEC. 9.30. In the event that federal courts issue writs of execution for the levy of state funds and such writs are executed, the State Controller shall so notify the Department of Finance. The Department of Finance shall then notify the State Controller of the specific appropriation or fund to be charged. Federal writs of execution for the levy of state funds may only be charged against appropriations or funds having a direct programmatic link to the circumstances under which the federal writ was issued. If the appropriate department or agency no longer exists, or no linkage can be identified, the

federal writ shall be charged to the unappropriated surplus of the General Fund. In the event that an appropriation in the act is made deficient by such a charge, funding augmentations must follow the regular budget processes including Section 27.00 of the Budget Act. However, the 30-day notification requirement is waived for payments mandated by federal courts.

SEC. 9.50. For minor capital outlay projects for which, pursuant to Section 10108 of the Public Contract Code, the services of the Department of General Services are not required and a state agency or department is authorized to carry out its own project, the amount of the unencumbered balance of the project shall be determined in accordance with Section 14959 of the Government Code. Upon receipt of bids for the project, an estimate of the amount necessary for the completion of the project, including supervision, engineering, and other items, if any, shall be deemed a valid encumbrance and shall be included with any other valid encumbrance in determining the amount of an unencumbered balance.

SEC. 11.50. (a) Notwithstanding any other provision of law, no allocations shall be made pursuant to subdivision (b), (c), (d), (e), or (g) of Section 6217 of the Public Resources Code for the 1994-95 fiscal year.

(b) Notwithstanding any other provision of law, the allocation to the California Housing Trust Fund made pursuant to subdivision (h) of Section 6217 of the Public Resources Code shall be in the amount of two million dollars (\$2,000,000) for the 1993-94 fiscal year.

(c) Notwithstanding any other provision of law, no transfer to the Roberti-Z'berg Open-Space and Recreation Program Account from the Special Account for Capital Outlay in the General Fund shall be made pursuant to Section 5624.5 of the Public Resources Code for the 1994-95 fiscal year.

(d) Notwithstanding any other provision of law, the sum of up to thirty-nine million dollars (\$39,000,000) shall be allocated to the General Fund for the 1994-95 fiscal year from tidelands oil revenue otherwise subject to Section 6217 of the Public Resources Code.

(e) Section 11.50(d), Budget Act of 1993, is amended to read as follows: "(d) Notwithstanding any other provision of law, the sum of twenty-two million one hundred fifty-four thousand dollars (\$22,154,000) shall be allocated to the General Fund for the 1993-94 fiscal year from tidelands oil revenue otherwise subject to Section 6217 of the Public Resources Code.

SEC. 11.51. The Director of Finance may allocate funds among the Energy and Resources Fund; the Energy Account, Energy and Resources Fund; and the Resources Account, Energy and Resources Fund.

SEC. 11.55. (a) (1) The Director of Finance shall reduce each applicable item of appropriation made in Section 2.00 of this act from the General Fund to each department for which there is a proposed expenditure in the 1994-95 fiscal year from the General Fund

for new energy improvement projects, or maintenance projects that are energy efficient, and that qualify for funding from the Petroleum Violation Escrow Account (PVEA), by an amount equal to the amount of PVEA funding for which these projects are respectively qualified.

(2) The reductions in the General Fund appropriations for each project pursuant to paragraph (1) shall not be made by the Director of Finance until a determination has been made by the federal government that the project has qualified for receipt of the PVEA funds during the 1994-95 fiscal year pursuant to federal laws.

(3) The total amount of reductions made pursuant to this subdivision shall not exceed six million dollars (\$6,000,000) for all affected programs.

(b) To the extent the funds are available, there is hereby appropriated for the 1994-95 fiscal year from the PVEA an amount equal to the amount reduced pursuant to subdivision (a) which amount shall be allocated by the Director of Finance to each affected department subject to the reduction in subdivision (a).

SEC. 11.60. Notwithstanding Article 12 (commencing with Section 16429.30) of Chapter 2 of Part 2 of Division 4 of Title 2 of the Government Code, Section 25115 of the Revenue and Taxation Code, or any other provision of law, all moneys deposited in the California Unitary Fund during the 1994-95 fiscal year and all expenditures, disbursements, and transfers from the California Unitary Fund shall be budgeted and accounted for at the fund level. No expenditure, disbursement, or transfer shall be made from the California Unitary Fund except in accordance with Chapter 1558 of the Statutes of 1988 or this act.

SEC. 11.61. Notwithstanding Article 12 (commencing with Section 16429.30) of Chapter 2 of Part 2 of Division 4 of Title 2 of the Government Code, Section 25115 of the Revenue and Taxation Code, or any other provision of law, all moneys deposited in the California Unitary Fund during the 1994-95 fiscal year shall be transferred to the General Fund on a quarterly basis.

SEC. 12.00. For the purposes of Article XIII B of the California Constitution, there is hereby established a state "appropriations limit" of thirty-seven billion five hundred fifty-four million dollars (\$37,554,000,000) for the 1994-95 fiscal year.

Any judicial action or proceeding to attack, review, set aside, void, or annul the "appropriations limit" for the 1994-95 fiscal year shall be commenced within 45 days of the effective date of this act.

SEC. 12.20. The Director of Finance shall review unliquidated encumbrances accrued to General Fund appropriations as of June 30, 1994 and is hereby authorized to reduce or cancel such encumbrances as necessary to accomplish a General Fund savings in an amount not less than twenty million dollars (\$20,000,000). The Director of Finance shall notify the Chairperson of the Joint Legislative Budget Committee and the fiscal committees of the Legislature

in writing no later than 30 days following the accomplishment of disencumbrances pursuant to this section.

The reductions or cancellations of unliquidated encumbrances accrued to General Fund appropriations as of June 30, 1994 shall not apply to appropriations made in Items 0110-001-001, 0120-011-001, and 0130-021-001 of Section 2.00 of this act.

SEC. 12.30. (a) There is hereby appropriated from the General Fund for transfer to the Special Fund for Economic Uncertainties by the Controller, upon order of the Director of Finance, an amount necessary to bring this special fund up to the amount stated in the Final Change Book for the 1994-95 fiscal year ending balance in the Special Fund for Economic Uncertainties, as of July 1, 1994. The amount so transferred shall be reduced by the amount of excess revenues subject to Section 2 of Article XIII B of the California Constitution, as determined by the Director of Finance.

(b) For the purpose of calculating the "appropriations subject to limitation" as defined in Section 8 of Article XIII B of the California Constitution, the appropriations shall be deemed limited to the lesser of the following amounts:

(1) The amounts stated in this act or

(2) The amount encumbered or expended as of June 30, 1994, against each appropriation. The amount of the appropriations expended or encumbered shall be determined on the basis of the State of California Preliminary Annual Report—Accrual Basis. Any subsequent adjustments shall be determined jointly by the Controller and the Director of Finance.

(c) Of the amount appropriated to the Special Fund for Economic Uncertainties, the Director of Finance may allocate a sufficient amount, not to exceed \$10,000,000, to the Department of Forestry and Fire Protection for emergency fire suppression for the 1994-95 fiscal year.

(d) Of the amount appropriated to the Special Fund for Economic Uncertainties, the Director of Finance may allocate a sufficient amount, not to exceed \$20,000,000, for emergency or disaster response operation and other related costs incurred by state or local agencies for the 1994-95 fiscal year. These allocations would be made as a result of a state of emergency proclamation by the Governor.

SEC. 12.32. (a) It is the intent of the Legislature that appropriations which are subject to Article XVI of the California Constitution be designated with the wording "Proposition 98." In the event these appropriations are not so designated, they may be designated as such by the Department of Finance where that designation is consistent with legislative intent, within 30 days after notification in writing of the proposed designation to the chairperson of the committee in each house that considers appropriations and the Chairperson of the Joint Legislative Budget Committee, or within a lesser time that the chairperson of the joint committee, or his or her designee, determines.

(b) Pursuant to the Proposition 98 funding requirements established in Chapter 2 (commencing with Section 41200) of Part 24 of the Education Code, the total appropriations for Proposition 98 for the 1994–95 fiscal year are \$14,383,369,000, or 35.630 percent of total General Fund revenues and transfers subject to the state appropriations limit. General Fund revenues set aside for school districts are \$13,176,915,000, or 32.641 percent of total General Fund revenues and transfers subject to the state appropriations limit. General Fund revenues set aside for California Community Colleges are \$1,124,314,000, or 2.785 percent of total General Fund revenues and transfers subject to the state appropriations limit. General Fund revenues set aside for other state agencies which provide direct elementary and secondary level education, as defined in Section 41302.5 of the Education Code, are \$82,140,000, or 0.204 percent of total General Fund revenues and transfers subject to the state appropriations limit.

(c) (1) Notwithstanding Section 15 of Chapter 703 of the Statutes of 1992 or subdivision (d) of Section 12.32 of Chapter 55 of the Statutes of 1993, and for the 1994–95 fiscal year only, the amount, if any, of a Supplemental Grant that a district has chosen to allocate to its revenue limit shall be an increase to the district's total revenue limit after deficit, and not an increase to the district's base revenue limit. For the 1995–96 fiscal year, and each fiscal year thereafter, it is the intent of the Legislature that this amount shall be an increase to the district's base revenue limit per ADA, and as such, shall be subject to the applicable adjustments to the base revenue limit.

(2) Notwithstanding paragraph (2) of subdivision (d) of Section 12.32 of Chapter 55 of the Statutes of 1993, for a period of not more than 45 days following the adoption of this act, the Superintendent of Public Instruction shall allow school districts to change their designation of where to allocate their Supplemental Grant. If a school district has not notified the Superintendent of Public Instruction of a change of designation within this 45-day period, the Superintendent of Public Instruction shall allocate funds as currently specified by the district.

SEC. 13.00. (a) Notwithstanding any other provisions of law, expenditures under Item 0160-001-001 of this act or any appropriation in augmentation of that item shall be exempt from the provisions of Chapter 7 (commencing with Section 11700) of Part 1 of, and Article 2 (commencing with Section 13320) of Chapter 3 of Part 3 of, Division 3 of Title 2 of the Government Code, Division 2 (commencing with Section 1100) of the Public Contract Code, and subdivision (a) of Section 713 of Title 2 of the California Code of Regulations, and may be expended as set forth in the Governor's Budget, or for other purposes, including expenditures for the number of positions in various classifications authorized by the Joint Rules Committee.

(b) Notwithstanding any other provisions of law, the unencumbered balances as of June 30, 1994, of the appropriations made by

Items 0160-001-001 and 8840-001-001 of the Budget Act of 1993 are re-appropriated and shall be available for encumbrance until June 30, 1995, for the same programs and purposes for which appropriations for these items have been made by this act.

(c) Notwithstanding any other provisions of law, all money that is received as payment for the sale of services or personal property by the agency that has not been taken into consideration in the schedule of Item 0160-001-001 or is in excess of the amount so taken into consideration is to be credited to that item and is hereby appropriated in augmentation of that item for the same programs and purposes for which appropriations for that item have been made by this act.

SEC. 13.95. Notwithstanding any other provision of law, the Controller shall transfer to the General Fund the unencumbered balance, as of June 30, 1995, from the following funds: (a) Energy Resources Programs Account; (b) Forest Resources Improvement Fund; (c) Harbors and Watercraft Revolving Fund; and (d) Fairs and Exposition Fund.

SEC. 14.00. (a) Notwithstanding any other provision of law, if the Director of the Department of Consumer Affairs determines in writing that there is insufficient cash in a special fund under the authority of a board, commission, or bureau of the department to make one or more payments currently due and payable, the director may order the transfer of moneys to that special fund, in the amount necessary to make the payment or payments, as a loan from a special fund under the authority of another board, commission, or bureau of the department. That loan shall be subject to all of the following conditions:

(1) No loan from a special fund shall be made that would interfere with the carrying out of the object for which the special fund was created.

(2) The loan shall be repaid as soon as there is sufficient money in the recipient fund to repay the amount loaned, but no later than a date 18 months after the date of the loan. Interest on the loan shall be paid from the recipient fund at the rate accruing during the loan period to moneys in the Pooled Money Investment Account.

(3) The amount loaned shall not exceed the amount that the appropriate board, commission, or bureau is statutorily authorized at the time of the loan to expend during the 1994-95 fiscal year from the recipient fund.

(4) The terms and conditions of the loan are approved, prior to the transfer of funds, by the Department of Finance pursuant to appropriate fiscal standards.

(b) (1) Notwithstanding any other provision of law, the Department of Consumer Affairs, during the 1994-95 fiscal year, may order the release of moneys from the clearing account in the Consumer Affairs Fund in an amount exceeding the amount advanced to the clearing account from a special fund within the department, as a

loan to make one or more payments on behalf of that special fund that are currently due and payable. To the extent that the amount of moneys currently in the clearing account is insufficient to make the payment or payments on behalf of that special fund, the department may transfer additional moneys to the clearing account from any other special fund under the authority of a board, commission, or bureau of the department to include in the loan. A loan made to a special fund under this subdivision shall be subject to all of the following conditions:

(A) The loan shall not be made if it would reduce the amount advanced to the clearing account from another special fund, or the amount contained in that special fund, as applicable, to an extent that would interfere with the carrying out of the object for which that special fund was created.

(B) The loan shall be repaid as soon as there is sufficient money in the recipient fund to repay the amount loaned, but no later than a date 60 days after the date of the loan.

(C) The amount loaned shall not exceed the amount that the appropriate board, commission, or bureau is statutorily authorized at the time of the loan to expend during the 1994–95 fiscal year from the recipient fund.

(2) For purposes of this subdivision, the “clearing account” in the Consumer Affairs Fund is the account established in that fund, consisting of moneys advanced from the various special funds within the department, from which the Department of Consumer Affairs pays operating and other expenses of each special fund in an amount ordinarily not exceeding the amount advanced from that special fund.

(c) Commencing March 1, 1995, and annually thereafter, the Director of the Department of Consumer Affairs shall provide a report on all loans initiated or repayments made pursuant to subdivision (a) or (b) within the preceding 12-month period to the chairperson of the budget committee, and the chairperson of the appropriate legislative oversight committee, of each house of the Legislature. The quarterly report to be provided on or before March 1, 1995, pursuant to this subdivision shall address the 12-month period ending February 28, 1995.

SEC. 15.50. Notwithstanding any other provision of law, the Director of Finance shall reduce each item of appropriation in Section 2.00 of this act, as appropriate, by an amount that eliminates the two percent increase provided for operating expenses during the 1994–95 fiscal year. The reduction to be made pursuant to this section shall not apply to appropriations made in Items 0110-001-001, 0120-011-001, 6440-001-001, 6600-001-001, 6610-001-001, and 6860-001-001 of Section 2.00 of this act.

SEC. 23.50. (a) (1) Of the funds that were appropriated by Congress in Section 204 of the federal Immigration Reform and Control Act (IRCA) of 1986 as California’s allocation of federal State Legalization Impact Assistance Grant (SLIAG) funds, any such funds al-

located to California by the U.S. Department of Health and Human Services subsequent to the state's October 13, 1993, grant award of \$507,500,460 for Federal Fiscal Year 1994 are hereby appropriated and shall be transferred by the Controller, upon order of the Director of Finance, to the appropriate administering department.

(2) Allocation of funds appropriated in subdivision (a) (1) of this section shall be subject to the same notification requirements of subdivision (b) that are applicable for augmentations.

(3) Any SLIAG education funds unexpended from previous fiscal years shall be reappropriated for education programs.

(4) Notwithstanding Section 28.00 of the Budget Act, funds received from the Federal Government under subdivision (a) (1) of this section will be used first to pay any undisputed prior year claims still remaining as well as administrative costs in documenting and processing such claims, except that prior year nonentitlement claims are subordinated to 1994-95 and prior year entitlement claims.

(b) Notwithstanding Sections 6.50, 8.50, and 28.00 of this act, the following provisions shall govern the augmentation and reduction of the amounts available for expenditure for any category or program in the schedule set forth in this item, and the transfers of funds among categories in the schedule set forth in this item, provided that:

(1) The Director of Finance may allocate the balance of any remaining funds authorized for expenditure by Section 14.00 of the Budget Act of 1987, Section 23.50 of the Budget Act of 1988, Section 23.50 of the Budget Act of 1989, Section 23.50 of the Budget Act of 1990, Section 23.50 of the Budget Act of 1991, Section 23.50 of the Budget Act of 1992, or Section 23.50 of the Budget Act of 1993 for any category or program scheduled in those Budget Act sections or otherwise authorized by the Legislature.

(2) The Director of Finance may authorize the augmentation or reduction of the amount available for expenditure for a category or program scheduled in the Budget Act sections shown in subdivision (b) (1) of this section or otherwise authorized by the Legislature. These actions may be authorized not sooner than 30 days after notification in writing of the necessity therefor is provided to the chairpersons of the committees in each house which consider appropriations and the Chairperson of the Joint Legislative Budget Committee, or not sooner than whatever lesser time the Chairperson of the Joint Legislative Budget Committee, or his or her designee, may in each instance determine.

(3) In any situations not discussed in paragraphs (1) and (2), the provisions of Section 28.00 shall apply.

SEC. 23.70. Notwithstanding Section 16360 of the Government Code, the recovery of any federal moneys as reimbursement for

costs incurred for immigration-related activities shall be deposited to the credit of the General Fund. Credit to the General Fund shall be applied by the Controller in the manner prescribed by the Director of Finance.

EDUCATION

SEC. 24.00. For the 1994–95 fiscal year, the donations and oil and mineral revenues from federal lands that are deposited in the State School Fund shall be divided between Section A and Section B of the State School Fund, with 85 percent of these revenues to be credited to Section A of the fund exclusively for K–12 district regular apportionments and 15 percent to Section B of the fund exclusively for community college regular apportionments. The amounts accruing to the State School Fund under this section shall be disbursed fully before any General Fund transfers to Section A or Section B of the State School Fund are disbursed for regular apportionments.

SEC. 24.10. Notwithstanding Section 1464 of the Penal Code or Section 41304 of the Education Code, the first \$943,000 received by the Driver Training Penalty Assessment Fund shall be used for the purposes of Item 6110-001-178. The Controller shall transfer, on a monthly basis, the subsequent moneys received in the Driver Training Penalty Assessment Fund to the Restitution Fund and the Victim Witness Assistance Fund using a ratio of 85.28 percent and 14.72 percent, respectively.

SEC. 24.30. (a) Notwithstanding any other provision of law, the State Controller, upon order of the Director of Finance, shall transfer rental income received in the 1994–95 fiscal year pursuant to Education Code Section 17789 from the State School Building Aid Fund to the General Fund.

SEC. 24.60. (a) From the funds appropriated in Items 4300-003-814, 5460-001-831, 6110-006-814, 6110-101-814, 6440-001-814, 6600-001-814, 6860-001-814, and 6870-101-814 of this act, the Department of Developmental Services, the Department of the Youth Authority, the State Special Schools, Regents of the University of California, Directors of Hastings College of the Law, Trustees of the California State University system, Board of Governors of the California Maritime Academy, and community college districts through the chancellor shall report to the Governor and the Legislature no later than January 15, 1996, the amount of lottery funds which each entity received and the purposes for which the funds were expended in the 1994–95 fiscal year, including administrative costs and proposed expenditures and purposes for expenditure for the 1995–96 fiscal year. If applicable, the amount of lottery funds received on the basis of adult education ADA and the amount of lottery funds expended for adult education also shall be reported.

(b) The State Department of Education shall conduct a survey of a representative sample of 100 local educational agencies to deter-

mine the patterns of use of lottery funds in those agencies. The sample shall be drawn to include all local educational agencies over 200,000 ADA and representative local educational agencies randomly selected by size, range, type, and geographical dispersion. On or before January 15, 1995, the State Department of Education shall report to the Legislature and the Governor the results of the survey for the 1993-94 fiscal year.

SEC. 24.70. From the funds appropriated to the Department of Education for local assistance, the department shall ensure that the expenditure of funds allocated to a Local Educational Agency (LEA), through a contract between the department and the LEA or through a grant from the department to the LEA, shall be subject to the LEA's fiscal accountability policies and procedures. If it is necessary for the LEA to establish a separate entity to complete the work scope of the contract or grant, the fiscal accountability policies and procedures for that entity shall be the same as the LEA's or amended only with the approval of the LEA's superintendent of schools and a fiscal representative of the department designated by the Director of the Department of Education. Further, the department shall have the authority to provide for an audit of the expenditures under the contract or grant between the department and the LEA to verify conformance with appropriate fiscal accountability policies and procedures. The cost of the audit, if required, shall be charged to the audited contract or grant.

VARIOUS

SEC. 26.60. Notwithstanding any other provision of law, 30 days prior to the Department of Food and Agriculture's entering into interim financing or long-term financing, including bond agreements, pursuant to Article 9 (commencing with Section 19590) of Chapter 4 of Division 8 of the Business and Professions Code, the department shall submit a report to the Chairperson of the Joint Legislative Budget Committee with copies to the Chairpersons of Senate Budget and Fiscal Review Subcommittee Number 2, Assembly Ways and Means Subcommittee Number 3, the Senate Select Committee on Fairs and Rural Issues, and the Subcommittee on Fairs and Expositions of the Assembly Committee on Agriculture. The report shall list: (a) proposed individual satellite wagering expansion projects at fairs, (b) costs for constructing, operating, and maintaining individual satellite wagering projects, (c) net revenue projections for individual satellite wagering projects, and (d) projected effect on net Satellite Wagering Account revenue resulting from individual satellite wagering projects and satellite wagering related projects. Additional notification is not required for financing proposals unless refinancing will result in the expenditure of additional funds, in which case the report shall include the above-requested information relating only to the new debt. Reporting shall only be required for sat-

elite wagering projects funded by interim financing or long-term financing, including bond agreements.

SEC. 27.00. (a) Approval by the Department of Finance of the creation of deficiencies pursuant to Section 11006 or approval to expend at rates which, in the opinion of the Director of Finance, will require a deficiency appropriation shall not be made unless the approval is made in writing and filed with the Chairperson of the Joint Legislative Budget Committee and chairperson of the committee in each house which considers appropriations not later than 30 days prior to the effective date of the approval, or not sooner than whatever lesser time the chairperson of the joint committee, or his or her designee, may in each instance determine, except for an approval for an emergency expenditure. This notification requirement is not applicable to caseload increases in Medi-Cal, Aid to Families with Dependent Children (AFDC), and Supplemental Security Income/State Supplementary Program (SSI/SSP). All notifications shall include (1) the date a deficiency request was received by the Department of Finance, (2) the reason for the proposed deficiency, and (3) the approved amount.

(b) Approval for any emergency expenditure shall be made in writing and filed with the Chairperson of the Joint Legislative Budget Committee and the chairperson of the committee in each house which considers appropriations not later than 10 days after the effective date of the approval. All notices shall state the reason for and amount of the deficiency.

As used in this section, "emergency expenditure" means an expenditure incurred in response to conditions of disaster or extreme peril which threaten the health or safety of persons or property within the state.

(c) The Department of Finance shall provide copies of all requests from agencies to spend at rates which will result in a deficiency appropriation to the Chairperson of the Joint Legislative Budget Committee and the chairperson of the committee in each house which considers appropriations. The department shall submit these copies within 10 days of receipt. The transmittal of this information to the Legislature shall not be construed by the requesting agency as approval of the deficiency request.

(d) For purposes for which the Governor previously vetoed funding, allocation of funds or authorization for deficiency expenditures shall not be made under the emergency provisions.

(e) The Department of Finance shall provide deficiency bill updates on April 15, May 15, and June 15, 1995, to the Chairperson of the Joint Legislative Budget Committee and the chairperson of the committee in each house that considers appropriations. Additional updates shall be provided by the Department of Finance if requested by the Legislature or as deemed necessary by the Department of Finance.

(f) The Department of Finance is authorized to augment funds for HIV-related programs to ensure compliance with the federal maintenance of effort requirement for Ryan White CARE Act Title II funding in the event that reductions pursuant to this act violate federal eligibility requirements.

SEC. 28.00. (a) The Director of Finance may authorize the augmentation of the amount available for expenditure for any category or program in the schedule set forth for any appropriation in this act or any additional category or program in the amount of any funds which he or she estimates will be received by an officer, department, division, bureau, or other agency during the 1994-95 fiscal year from any other state agency, from any agency of local government or the federal government, from any appropriation made by the Legislature or from any other source which he or she determines has not been taken into consideration in the schedule or is in excess of the amount so taken into consideration.

(b) The Director of Finance may also reduce any category or program whenever he or she determines that funds to be received will be less than the amount taken into consideration in the schedule.

(c) The augmentations or reductions set forth in paragraphs (1) to (4), inclusive, may not be authorized sooner than 30 days after notification in writing of the necessity therefor to the chairperson of the committee in each house which considers appropriations and the Chairperson of the Joint Legislative Budget Committee, or not sooner than whatever lesser time the chairperson of the joint committee, or his or her designee, may in each instance determine. This notification requirement is not applicable to federal funds related to caseload increases in Medi-Cal, Aid to Families With Dependent Children (AFDC) and Supplemental Security Income/State Supplementary Program (SSI/SSP).

(1) Augmentations or reductions which either are (A) in excess of \$100,000 or (B) are in excess of 10% of the amount available for expenditure in the affected category or program.

(2) Any other augmentations which the Director of Finance determines constitute an increase in the level of services above that authorized by this act or other existing law or are for a new program not identified in this act as such.

(3) Any other reductions which the Director of Finance determines constitute a decrease in the level of service below that authorized by this act or other existing law.

(4) Any augmentation, regardless of the amount, for the purpose of funding a task force or advisory council created by executive order of the Governor.

(d) Any personnel action which is dependent on funds subject to the provisions of this section shall not be effective until after the provisions of this section have been complied with. Any authorization made pursuant to this section too late for inclusion in the Governor's Budget for the 1994-95 fiscal year shall remain in effect for the pe-

riod the director may determine in each instance, but in no event after June 30, 1995.

(e) All authorizations reported or requested under the provisions of this section shall include all of the following:

(1) A description of the proposed expenditure and identification of the statutory authority for the expenditure.

(2) A determination whether the expenditure, if federally funded, is specifically designed to be one-time, a continuing federal obligation, or one that the state is required (or expected) to fund at some future date.

(3) A determination whether the expenditure, if federally funded, supplements or replaces existing state expenditures.

(4) A determination whether the expenditure has previously been considered at some point in the legislative process and has been denied and, if the expenditure has been denied, for what reasons.

(f) All increased expenditures from department indirect cost funds in excess of the amount budgeted in this act or identified in a prior Section 28.00 notification are subject to the reporting requirements of this section.

SEC. 29.00. The Department of Finance shall calculate and publish a listing of total personnel-years and estimated salary savings for each department and agency. These listings shall be published by the Department of Finance at the same time as the publication of (a) the Governor's Budget, (b) the May revision and (c) the Final Change Book.

(a) The listing provided at the time of the publication of the Governor's Budget shall contain estimates of personnel-years for the prior year, current year, and budget year.

(b) The listing provided at the time of publication of the May revision shall contain estimates of personnel-years proposed for the budget year.

(c) The listing provided at the time of the publication of the Final Change Book shall contain estimates of personnel-years for the budget year just enacted.

SEC. 30.00. Section 13340 of the Government Code is amended to read:

13340. (a) Except as provided in subdivision (b), on and after July 1, 1995, no moneys in any fund which, by any statute other than a Budget Act, is continuously appropriated without regard to fiscal years, may be encumbered unless the Legislature, by statute, specifies that the moneys in the fund are appropriated for encumbrance.

(b) Subdivision (a) does not apply to any of the following:

(1) The scheduled disbursement of any local sales and use tax proceeds to an entity of local government pursuant to Part 1.5 (commencing with Section 7200) of Division 2 of the Revenue and Taxation Code.

(2) The scheduled disbursement of any transactions and use tax proceeds to an entity of local government pursuant to Part 1.6 (commencing with Section 7251) of Division 2 of the Revenue and Taxation Code.

“(3) The scheduled disbursement of any funds by a state or local agency or department which issues bonds and administers related programs for which funds are continuously appropriated as of June 30, 1995.”

(4) Moneys that are deposited in proprietary or fiduciary funds of the California State University and that are continuously appropriated without regard to fiscal years.

SEC. 31.00. (a) The appropriations under this act, unless otherwise provided, shall be subject to the provisions of Section 13320 of the Government Code and Article 2.5 (commencing with Section 13332) of Chapter 3 of Part 3 of Division 3 of Title 2 of the Government Code requiring expenditures to be made in accordance with the allotments and other provisions of fiscal year budgets approved by the Department of Finance.

(b) The fiscal year budget shall authorize in the manner which the Department of Finance shall prescribe all established positions whose continuance for the year is approved and all new positions. No new position shall be established unless authorized by the Department of Finance on the basis of work program and organization.

(c) The Director of Finance, or his or her authorized designee, shall notify the Chairperson of the Joint Legislative Budget Committee within 30 days of authorizing any position not authorized for that fiscal year by the Legislature or any reclassification to a position with a minimum step per month of \$5,129 as of July 1, 1994. He or she shall also report all transfers to blanket authorizations and the establishment of any permanent positions out of a blanket authorization.

(d) All positions administratively established pursuant to this section during the 1994–95 fiscal year shall terminate on June 30, 1995, except for those positions which have been (a) included in the 1995–96 Governor’s Budget as proposed new positions, or (b) approved by the Department of Finance and reported to the Legislature after the 1995–96 Governor’s Budget submission to the Legislature. The positions set forth in (a) and (b) above may be reestablished by the Department of Finance during the 1995–96 fiscal year, provided these positions are shown in the 1996–97 proposed Governor’s Budget submitted to the Legislature, or in subsequent Department of Finance letters to the Legislature, and provided that these positions do not result in establishment of positions deleted by the Legislature through the 1995–96 budget process.

(e) Each fiscal year budget shall provide for a salary savings reserve to which shall be transferred on a document initiated by the agency the unencumbered balance remaining in each allotment for salaries and wages at the close of each quarter or other period of time covered by the allotment. A copy of this document shall be submit-

ted to the Department of Finance upon request. The unencumbered balance remaining in each budget allotment for salaries and wages shall be computed by deducting from the amount of the allotment the expenditures and accrued obligations for salaries and wages chargeable to the allotment for the period covered thereby. The amount in the salary savings reserve shall not be available for expenditure except upon transfer to allotments for salaries and wages approved by the Department of Finance. This transfer shall be approved only after it has been demonstrated to the satisfaction of the Department of Finance that the allotment to be augmented is insufficient to meet necessary expenditures for salaries and wages.

(f) No money in any 1994–95 fiscal year appropriation not appropriated for that purpose may be expended for increases in salary ranges or any other employee compensation action (s) unless the Department of Finance certifies to the salary and other compensation-setting authority prior to the adoption of these action (s) that funds are available to pay the increased salary or employee compensation resulting therefrom. Prior to certification, the Department of Finance shall determine whether this increase in salary range or employee compensation action will require supplemental funding in the 1995–96 fiscal year. If the Department of Finance determines that supplemental funding will be required, no certification shall be issued unless notification in writing is given by the Department of Finance, at least 30 days before certification is made, to the chairperson of the committee in each house which considers appropriations and the Chairperson of the Joint Legislative Budget Committee, or a lesser time which the chairperson of the joint committee, or his or her designee, determines.

(g) A certification on a payroll claim that expenditures therein are in accordance with current budgetary provisions as approved by the Department of Finance shall be sufficient evidence to the State Controller that these expenditures comply with the provisions of this section.

(h) Each agency, department, board, commission, and institution, for whose benefit and support appropriations are made in this act, shall certify to the Director of Finance that its expenditures have been made for the purposes stated in the budget, as implemented by the Budget Act, except as the purposes stated have been revised, in accordance with law, by the Department of Finance subsequent to the enactment of the Budget Act.

SEC. 31.50. (a) Notwithstanding Section 12439 of the Government Code or any other provision of law, any position funded entirely from the General Fund, which has been continuously vacant from July 1, 1993, to March 15, 1994, shall be permanently eliminated as of March 16, 1994.

(b) This section shall not apply to the following appropriations:

- | | |
|--------------|---------------------|
| (1) Senate | (Item 0110-001-001) |
| (2) Assembly | (Item 0120-011-001) |

- (3) Legislative Counsel Bureau (Item 0160-001-001)
- (4) Judicial (Items 0250-001-001, 0250-001-044, and 0250-101-001)
- (5) Office of Emergency Services (Item 0690)
- (6) Lieutenant Governor (Item 0750-001-001)
- (7) Department of Justice (General Fund Items 0820-001-001 to 0820-101-460, inclusive)
- (8) Controller (General Fund Items 0840-001-001 to 0840-001-988, inclusive)
- (9) Secretary of State (General Fund Items 0890-001-001 to 0890-001-228, inclusive)
- (10) State Treasurer (Item 0950-001-001)
- (11) Department of Insurance (Items 2290-001-217, 2290-002-217, and 2290-101-217)
- (12) State Board of Equalization (General Fund Items 0860-001-001 to 0860-001-965, inclusive)
- (13) Franchise Tax Board (Item 1730-001-001)
- (14) State Library (Item 6120-011-001)
- (15) California Postsecondary Education Commission (Item 6420-001-001)
- (16) University of California (Items 6440-001-001, 6440-002-001, 6440-013-001, and 6440-490)
- (17) Hastings College of the Law (Items 6600-001-001, 6600-013-001, and 6600-490)
- (18) California State University (Items 6610-001-001, 6610-002-001, 6610-021-001, 6610-036-001, and 6610-490)
- (19) California Maritime Academy (Items 6860-001-001 and 6860-490)
- (20) Student Aid Commission (Items 7980-001-001 and 7980-101-001)
- (21) Health and Welfare (General Fund Items 4100-001-001 to 5180-001-001, inclusive, with the exception of Item 5100-001-001)

SEC. 32.00. The officers of the various departments, boards, commissions, and institutions, for whose benefit and support appropriations are made in this act, are expressly forbidden to make any expenditures in excess of these appropriations, unless the consent of the Department of Finance is first obtained, and a certificate, in writing, is duly signed by the director of the department seeking authority for the expenditure, certifying the unavoidable necessity of the expenditure. Any indebtedness attempted to be created against the state in violation of the provisions of this section shall be absolutely null and void, and shall not be allowed by the State Controller nor paid out of any state appropriation. Any member of a depart-

ment, board, commission or institution, who shall vote for any expenditure, or create any indebtedness against the state in excess of the respective appropriations made by this act, except by the consent of the Department of Finance and the certificate in this section provided to be first obtained, shall be liable both personally and on his or her official bond for the amount of the indebtedness, to be recovered in any court of competent jurisdiction by the person or persons, firm or corporation to which the indebtedness is owing.

The Department of Finance shall submit copies of certificates approved by it under this section to the Chairperson of the Joint Legislative Budget Committee, and the chairperson of the committee in each house which considers appropriations, quarterly, and shall indicate in the case of each certificate the code section or section of this act under which the department gave its consent to exceed the particular appropriation.

SEC. 33.00. If any item of appropriation in this act is vetoed, eliminated, or reduced by the Governor under Section 10 of Article IV of the Constitution, while approving portions of this act, such veto, elimination, or reduction shall not affect the other portions of this act, and these other portions of this act, so approved, shall have the same effect in law as if any vetoed or eliminated items of appropriation had not been present in this act, and as if any reduced item of appropriation had not been reduced.

SEC. 34.00. If any portion of this act is held unconstitutional, such decision shall not affect the validity of any other portion of this act. The Legislature hereby declares that it would have passed this act, and each portion thereof, irrespective of the fact that any other portion be declared unconstitutional.

SEC. 35.00. This act, inasmuch as it provides for an appropriation for the usual current expenses of the state, shall, under the provisions of Section 8 of Article IV of the California Constitution, take effect immediately.

SEC. 36.00. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

This act makes appropriations and contains related provisions for support of state and local government for the 1994-95 fiscal year and provides for capital outlay appropriations, in continuation of existing programs and to promote and sustain the economy of the state. It is imperative that these appropriations be available for expenditure commencing not later than July 1, 1994. It is therefore necessary that this act go into immediate effect.

INDEX BY BUDGET TITLE

SEC. 99.00. The following provides an index to the appropriations and related provisions of this act, by organization in alphabetical order, with the code number of the affected organization. The organization code is the first four numbers of any item number in this act. For ease of reference, the appropriation items in this act are organized in numerical order, and all of the appropriation items for any one organization are adjacent to one another.

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CHAPTER 140

An act to add Section 300.5 to the Health and Safety Code, relating to domestic violence, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 9, 1994. Filed with
Secretary of State July 11, 1994.]

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

SECTION 1. This act shall be known and may be cited as the Battered Women Protection Act of 1994. This act establishes the Comprehensive Domestic Violence Program.

SEC. 2. Section 300.5 is added to the Health and Safety Code, to read:

300.5. (a) The Maternal and Child Health Branch of the State Department of Health Services shall administer a comprehensive shelter-based services grant program to battered women's shelters pursuant to this section.

(b) The Maternal and Child Health Branch shall administer grants to battered women's shelters that propose to expand existing services or create new services, and to establish new battered women's shelters to provide services, in any of the following four areas:

(1) Emergency shelter to women and their children escaping violent family situations.

(2) Transitional housing programs to help women and their children find housing and jobs so that they are not forced to choose between returning to a violent relationship or becoming homeless. The programs may offer up to 18 months of housing, case management, job training and placement, counseling, support groups, and classes in parenting and family budgeting.

(3) Legal and other types of advocacy and representation to help women and their children pursue the appropriate legal options.

(4) Other support services for battered women identified by the advisory council.

(c) In implementing the grant program pursuant to this section, the State Department of Health Services shall consult with an advisory council composed of not to exceed 13 voting members and two nonvoting members appointed as follows:

(1) Seven members appointed by the Governor.

(2) Three members appointed by the Speaker of the Assembly.

(3) Three members appointed by the Senate Committee on Rules.

(4) Two nonvoting ex-officio members who shall be Members of the Legislature, one appointed by the Speaker of the Assembly and one appointed by the Senate Committee on Rules. Any Member of the Legislature appointed to the council shall meet with, and

participate in the activities of, the council to the extent that participation is not incompatible with his or her position as a Member of the Legislature.

The membership of the council shall consist of domestic violence advocates, battered women service providers, and representatives of women's organizations, law enforcement, and other groups involved with domestic violence. At least one-half of the council membership shall consist of domestic violence advocates or battered women service providers from organizations such as the California Alliance Against Domestic Violence.

It is the intent of the Legislature that the council membership reflect the ethnic, racial, cultural, and geographic diversity of the state.

(d) The department shall collaborate closely with the council in the development of funding priorities, the framing of the Request for Proposals, and the solicitation of proposals.

(e) Administrative costs of the State Department of Health Services incurred pursuant to the grant program shall not exceed 5 percent of the funds allocated for the program.

(f) The shelters funded pursuant to this section shall reflect the ethnic, racial, economic, cultural, and geographic diversity of the state.

(g) As a condition of receiving funding pursuant to this section, battered women's shelters shall provide matching funds equivalent to 10 percent of the grant they would receive. The matching funds may come from other governmental or private sources.

(h) The State Department of Health Services shall issue a Request for Proposals no later than October 15, 1994.

SEC. 3. (a) (1) The sum of three million five hundred thousand dollars (\$3,500,000) is appropriated in the Budget Act of 1994 to the Department of Justice to implement Spousal Abuser Prosecution Program pursuant to Chapter 2.5 (commencing with Section 273.8) of Title 9 of Part 1 of the Penal Code. This program shall provide financial and technical assistance to district attorneys to enhance the prosecution of domestic violence cases.

(2) It is the intent of the Legislature that the sum of three million five hundred thousand dollars (\$3,500,000) be appropriated from the General Fund in the Budget Act of 1995 to the Department of Justice for the 1995-96 fiscal year for the purposes specified in paragraph (1).

(b) (1) The sum of eleven million five hundred thousand dollars (\$11,500,000) that is appropriated in the Budget Act of 1994 and made available for expenditure for purposes of this act shall be distributed to the State Department of Health Services for purposes of a comprehensive shelter-based services grant program that shall be administered by the Maternal and Child Health Branch of the department pursuant to Section 300.5 of the Health and Safety Code, as added by this act.

(2) It is the intent of the Legislature that the sum of eleven million

five hundred thousand dollars (\$11,500,000) be appropriated from the General Fund in the Budget Act of 1995 to the State Department of Health Services for the 1995-96 fiscal year for the purposes specified in paragraph (1).

SEC. 4. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to address the serious problems related to domestic violence offenses that have been long ignored, it is necessary that this act take effect immediately.

CHAPTER 141

An act to amend Section 35021 of the Education Code, relating to school districts.

[Approved by Governor July 9, 1994. Filed with
Secretary of State July 11, 1994.]

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

SECTION 1. Section 35021 of the Education Code is amended to read:

35021. Notwithstanding any other law, any person, except a person required to register as a sex offender pursuant to Section 290 of the Penal Code, may be permitted by the governing board of any school district to perform the duties specified in Section 44814 or 44815, or to serve as a nonteaching volunteer aide under the immediate supervision and direction of the certificated personnel of the district to perform noninstructional work which serves to assist the certificated personnel in performance of teaching and administrative responsibilities. The nonteaching volunteer aide shall not be an employee of the school district and shall serve without compensation of any type or other benefits accorded to employees of the district, except as provided in Section 3364.5 of the Labor Code.

No district may abolish any of its classified positions and utilize volunteer aides, as authorized herein, in lieu of classified employees who are laid off as a result of the abolition of a position. A district shall not refuse to employ a person in a vacant classified position and use volunteer aides in lieu of filling the classified position.

It is the intent of the Legislature to permit school districts to use volunteer aides to enhance its educational program but not to permit displacement of classified employees nor to allow districts to utilize volunteers in lieu of normal employee requirements.

CHAPTER 142

An act to augment Item 6870-101-001 of Section 2.00 of the Budget Act of 1993, relating to the California Community Colleges, to take effect immediately as an appropriation for the usual current expenses of the state.

[Approved by Governor July 9, 1994. Filed with
Secretary of State July 11, 1994.]

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

SECTION 1. The sum of fifty-six million five hundred thousand dollars (\$56,500,000) is hereby appropriated from the General Fund for expenditure in the 1993-94 fiscal year in augmentation of, and for the purposes of, Schedule (a) of Item 6870-101-001 of Section 2.00 of the Budget Act of 1993 (Ch. 55, Stats. 1993).

SEC. 2. It is the intent of the Legislature that for the 1995-96 fiscal year, the General Fund appropriation for the California Community Colleges apportionments shall be reduced by six million, two hundred thirty-two thousand dollars (\$6,232,000), corresponding to the additional anticipated property tax revenue from corrective legislation relating to the Education Revenue Augmentation Fund.

SEC. 3. This act makes an appropriation for the usual current expenses of the state within the meaning of Article IV of the California Constitution and shall go into immediate effect.

CHAPTER 143

An act to amend Sections 25356.2, 25356.10, 25570.2, and 25570.3 of, and to repeal Section 25570.4 of, the Health and Safety Code, relating to hazardous waste.

[Approved by Governor July 9, 1994. Filed with
Secretary of State July 11, 1994.]

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

SECTION 1. Section 25356.2 of the Health and Safety Code is amended to read:

25356.2. (a) There is hereby created in the Office of Environmental Health Hazard Assessment a Hazardous Substance Cleanup Arbitration Panel.

(b) The panel shall apportion liability for the costs of removal and remedial actions in accordance with Sections 25356.3 and 25356.4. All meetings of the panel are exempt from Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1 of, and Article 9 (commencing with Section 11120) of Chapter 1 of Part 1 of Division

3 of Title 2 of, the Government Code.

(c) The panel shall be comprised of independent private arbitrators who have applied to the Office of Environmental Health Hazard Assessment for membership on the panel. Panel members shall have (1) relevant arbitration background and (2) expertise in engineering, expertise in the physical, biological, or health sciences, or other relevant experience and qualifications. Three arbitrators shall be selected from the panel to apportion liability for a single hazardous wastesite. A majority of the arbitrators selected for a single site may apportion liability for the panel under this chapter.

(d) The arbitrators shall be selected for an individual hazardous wastesite as follows:

(1) One arbitrator shall be selected by the department or by the regional water quality control board.

(2) One arbitrator shall be selected by the potentially responsible party, or a majority of the potentially responsible parties, who have submitted to binding arbitration by the panel.

(3) The two arbitrators selected pursuant to paragraphs (1) and (2) shall jointly select a third arbitrator.

SEC. 2. Section 25356.10 of the Health and Safety Code is amended to read:

25356.10. The Office of Environmental Health Hazard Assessment shall adopt, and may, from time to time, modify, revise, or repeal, regulations, consistent with this article, to implement the provisions of this article concerning arbitration proceedings. The regulations may include, but are not required to be limited to, all of the following:

(a) The method of initiating arbitration.

(b) The place of hearing, based upon the convenience of the parties.

(c) Procedures for the selection of neutral arbitrators.

(d) Procedure for conducting hearings.

(e) The providing of experts to assist the arbitrators if assistance is needed.

(f) Procedures for reimbursing the expenses which the panel incurs in conducting arbitrations.

SEC. 3. Section 25570.2 of the Health and Safety Code is amended to read:

25570.2. For purposes of this chapter, the following terms have the following meaning:

(a) "Air board" means the State Air Resources Board.

(b) "Cal-OSHA" means the Division of Occupational Safety and Health in the Department of Industrial Relations.

(c) "Office" means the Office of Environmental Health Hazard Assessment.

(d) "Director" means the Director of Environmental Health Hazard Assessment.

(e) "Water board" means the State Water Resource Control Board.

(f) "Environmental quality assessment" or "assessment" means a systematic, documented, periodic, and objective review of the operations and practices, used by any commercial or industrial business or individual whose activities are regulated under Chapter 6.5 (commencing with Section 25100) or Chapter 6.95 (commencing with Section 25500), to achieve, monitor, maintain, and where feasible exceed, compliance with state environmental, worker health and safety, and public health requirements for the manufacture and use of hazardous substances and the generation and disposal of hazardous wastes. A complete environmental assessment includes a number of different components related to hazardous substance and hazardous waste management and requires the expertise of a variety of assessors. An environmental assessment includes technical or managerial recommendations or actions, of a general or specific nature, in one or more of the following areas:

(1) Recommendations or specific actions for complying with, and where feasible, exceeding legal requirements in areas related to hazardous substance and hazardous waste management, including, but not limited to, air quality, water quality, emergency preparedness and response, hazard communications, and occupational safety and health.

(2) A qualitative review, or where feasible, a quantitative review, of the risks resulting from occupational, public or environmental exposure to hazardous substances.

(3) Recommendations or actions for anticipating and minimizing the risks specified in paragraph (2), including any potential liability, associated with regulated and unregulated hazardous substances, and any suggested management procedures or practices.

(g) "Environmental assessor" or "assessor" means an individual who, through academic training, occupational experience, and reputation, is qualified to objectively conduct one or more aspects of an environmental assessment. Environmental assessors may include, but shall not be limited to, specialists trained as analytical chemists, professional engineers, epidemiologists, hydrologists, attorneys with expertise in hazardous substance law, physicians, industrial hygienists, toxicologists, registered environmental health specialists, and environmental program managers.

(h) "Hazardous substance" shall have the same meaning as found in Chapter 6.8 (commencing with Section 25300) and "hazardous waste" shall have the same meaning as found in Chapter 6.5 (commencing with Section 25100).

SEC. 4. Section 25570.3 of the Health and Safety Code is amended to read:

25570.3. (a) The director, in consultation with the office, the water board, the air board, and Cal-OSHA, shall develop, adopt by regulation, and publicize criteria for the voluntary registration of environmental assessors who have the experience or other qualifications sufficient to conduct environmental assessments. In specifying criteria for registration, the director shall consider all of

the following:

(1) A minimum of two years of experience in successfully assisting businesses, government agencies, or labor organizations within the assessor's general field of expertise.

(2) Recommendations from clients, colleagues, and professional associations.

(3) Skills or expertise that represent an area of specialty within a field, such as professional engineering or engineering geology, for which the state now offers a certification, licensing, or registration process.

(4) Pertinent specialized certification, licensing, or registration programs offered by professional associations or other private sector organizations.

(5) Specific areas of expertise, including, but not limited to, underground tank checks or removal, small generator waste reduction, recycling, treatment and disposal, and prevention and control of air and water emissions or releases, assessment of soil or groundwater contamination, risk assessment and risk reduction recommendations, or occupational health and safety reviews.

(b) The director may appoint an ad hoc advisory committee to assist in developing the requirements for registration. The members of the committee shall be representative of the range of professional skills that may be possessed by environmental assessors.

(c) Any person may apply to the director to be registered as an environmental assessor. The director shall register as an environmental assessor any person who meets the criteria adopted pursuant to subdivision (a).

(d) The director shall require each applicant for registration to pay the following fees:

(1) An application fee of up to fifty dollars (\$50) for each applicant seeking registration.

(2) An annual fee of up to one hundred dollars (\$100) for being listed as a registered assessor.

(e) To the maximum extent feasible, the director shall assess the fees specified in subdivision (d) at a level sufficient to meet the costs of registration and the cost of listing pursuant to subdivision (g).

(f) Any applicant denied registration shall be notified in writing of the reasons for denial.

(g) On or before March 1, of each year, the director shall publish, and work with associations representing small- and medium-sized businesses to widely disseminate, a list of registered environmental assessors. The list shall be arranged according to types of tasks, and, at a minimum, shall specify the professional and employment affiliations and the specific area of expertise of the assessor, and whether the assessor is a sales representative, owner, or part owner of a business that manufactures or distributes technology for hazardous substance or hazardous waste management. In addition, the list shall provide an alphabetical listing of firms that provide environmental assessment services and that employ registered

assessors. The registered assessors employed by each firm shall be listed with the firm's name.

(h) Each environmental assessor shall obtain a renewal of registration every five years following the date of initial registration. The director shall determine a renewal fee sufficient to cover the costs incurred in reassessing the qualifications of the applicant for renewal. In considering whether to renew the registration, the director shall also consider any complaints regarding the work of the assessor.

(i) Notwithstanding any other provision of law, no state agency, or employee of a state agency, shall be held liable for any injury or damages resulting from the services provided by a registered environmental assessor listed pursuant to subdivision (g). In any litigation regarding the registration process or the list of assessors, the Attorney General shall defend any state employee or state agency involved with the development or implementation of the program specified in this chapter. The director shall include a written disclaimer of liability as part of the published list of registered assessors.

SEC. 5. Section 25570.4 of the Health and Safety Code is repealed.

SEC. 6. (a) The Hazardous Substance Cleanup Arbitration Panel is hereby transferred from the Office of the Secretary for Environmental Protection to the Office of Environmental Health Hazard Assessment.

(b) The Office of Environmental Health Hazard Assessment may use the unexpended balance of funds available for use in connection with the performance of the functions of the Hazardous Substance Cleanup Arbitration Panel formerly in the Office of the Secretary for Environmental Protection.

(c) All officers and employees of the Hazardous Substance Cleanup Arbitration Panel formerly in the Office of the Secretary for Environmental Protection who are serving in the state civil service, other than as temporary employees, and engaged in the performance of a function vested in the Hazardous Substance Cleanup Arbitration Panel, shall be transferred to the Office of Environmental Health Hazard Assessment. The status, positions, and rights of those persons shall not be affected by the transfer and shall be retained by them as officers and employees of the Office of Environmental Health Hazard Assessment, pursuant to the State Civil Service Act (Part 2 (commencing with Section 18500) of Division 5 of Title 2 of the Government Code), except as to positions exempted from civil service.

(d) The Office of Environmental Health Hazard Assessment shall have possession and control of all records, papers, offices, equipment, supplies, money, funds, appropriations, licenses, permits, agreements, contracts, claims, judgments, and land or other property, real or personal, held for the benefit or use of the Hazardous Substance Cleanup Arbitration Panel formerly in the Office of the Secretary for Environmental Protection.

SEC. 7. (a) The Environmental Assessors Registration Program is hereby transferred from the Secretary for Environmental Protection to the Director of Environmental Health Hazard Assessment.

(b) The Director of Environmental Health Hazard Assessment may use the unexpended balance of funds available for use in connection with the performance of the functions of the Environmental Assessors Registration Program formerly in the Office of the Secretary for Environmental Protection.

(c) All officers and employees of the Environmental Assessors Registration Program formerly in the Office of the Secretary for Environmental Protection who are serving in the state civil service, other than as temporary employees, and engaged in the performance of a function vested in the Environmental Assessors Registration Program, shall be transferred to the Office of Environmental Health Hazard Assessment. The status, positions, and rights of those persons shall not be affected by the transfer and shall be retained by them as officers and employees of the Office of Environmental Health Hazard Assessment, pursuant to the State Civil Service Act (Part 2 (commencing with Section 18500) of Division 5 of Title 2 of the Government Code), except as to positions exempted from civil service.

(d) The Director of Environmental Health Hazard Assessment shall have possession and control of all records, papers, offices, equipment, supplies, money, funds, appropriations, licenses, permits, agreements, contracts, claims, judgments, and land or other property, real or personal, held for the benefit or use of the Environmental Assessors Registration Program formerly in the Office of the Secretary for Environmental Protection.

CHAPTER 144

An act to amend Section 17053.5 of the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

[Approved by Governor July 9, 1994. Filed with
Secretary of State July 11, 1994.]

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

SECTION 1. Section 17053.5 of the Revenue and Taxation Code, as amended by Chapter 62 of the Statutes of 1993, is amended to read:

17053.5. (a) In the case of qualified renters, there shall be allowed credits against their "net tax" (as defined in Section 17039). The amount of the credit shall be as follows:

(1) For married couples filing joint returns, heads of household and surviving spouses (as defined in Section 17046) the credit shall be as follows:

(A) One hundred twenty dollars (\$120) if adjusted gross income is forty thousand dollars (\$40,000), or less.

(B) Sixty dollars (\$60) if adjusted gross income is greater than forty thousand dollars (\$40,000), but less than forty-one thousand one dollars (\$41,001).

(C) No credit shall be allowed if adjusted gross income is equal to or greater than forty-one thousand one dollars (\$41,001).

(2) For other individuals, the credit shall be as follows:

(A) Sixty dollars (\$60) if adjusted gross income is twenty thousand dollars (\$20,000), or less.

(B) Thirty dollars (\$30) if adjusted gross income is greater than twenty thousand dollars (\$20,000), but less than twenty thousand five hundred one dollars (\$20,501).

(C) No credit shall be allowed if adjusted gross income is equal to or greater than twenty thousand five hundred one dollars (\$20,501).

(b) Except as provided in subdivision (c), a husband and wife shall receive but one credit under this section. If the husband and wife file separate returns, the credit may be taken by either or equally divided between them, except as follows:

(1) If one spouse was a resident for the entire taxable year and the other spouse was a nonresident for part or all of the taxable year, the resident spouse shall be allowed one-half the credit allowed to married persons and the nonresident spouse shall be permitted one-half the credit allowed to married persons, prorated as provided in subdivision (f).

(2) If both spouses were nonresidents for part of the taxable year, the credit allowed to married persons shall be divided equally between them subject to the proration provided in subdivision (f).

(c) In the case of a husband and wife, if each spouse maintained a separate place of residence and resided in this state during the entire taxable year, each spouse will be allowed one-half the full credit allowed to married persons provided in subdivisions (a) and (b).

(d) For purposes of this section, a "qualified renter" means an individual who:

(1) Was a resident of this state, as defined in Section 17014, and

(2) Rented and occupied premises in this state which constituted his or her principal place of residence during at least 50 percent of the taxable year.

(e) The term "qualified renter" does not include any of the following:

(1) An individual who for more than 50 percent of the taxable year rented and occupied premises which were exempt from property taxes, except that an individual, otherwise qualified, shall be deemed a qualified renter if he or she or his or her landlord pays possessory interest taxes, or the owner of those premises makes payments in lieu of property taxes which are substantially equivalent to property taxes paid on properties of comparable market value.

(2) An individual whose principal place of residence for more

than 50 percent of the taxable year is with any other person who claimed such individual as a dependent for income tax purposes.

(3) An individual who has been granted or whose spouse has been granted the homeowners' property tax exemption during the taxable year. This paragraph shall not apply in the case of an individual whose spouse has been granted the homeowners' property tax exemption if each spouse maintained a separate residence for the entire taxable year.

(f) Any otherwise qualified renter who is a nonresident for any portion of the taxable year shall claim the credits set forth in subdivision (a) at the rate of one-twelfth of those credits for each full month that individual resided within this state during the taxable year.

(g) Every person claiming the credit provided in this section shall, as part of that claim, and under penalty of perjury, furnish that information as the Franchise Tax Board prescribes on a form supplied by the board.

(h) The credit provided in this section shall be claimed on returns in the form as the Franchise Tax Board may from time to time prescribe.

(i) For the purposes of this section, the term "premises" means a house or a dwelling unit used to provide living accommodations in a building or structure and the land incidental thereto, but does not include land only, except in the case where the dwelling unit is a mobilehome. The credit shall not be allowed for any taxable year for the rental of land upon which a mobilehome is located if the mobilehome has been granted a homeowners' exemption under Section 218 in that year.

(j) In the case of qualified renters whose credits provided in this section exceed their tax liability computed under this part the excess shall be credited against other amounts due, if any, from the qualified renter and the balance, if any, shall be refunded to the qualified renter.

(k) For each taxable year beginning on or after January 1, 1992, the Franchise Tax Board shall recompute the adjusted gross income amounts set forth in subdivision (a). That computation shall be made as follows:

(1) The California Department of Industrial Relations shall transmit annually to the Franchise Tax Board the percentage change in the California Consumer Price Index for all items from June of the prior calendar year to June of the current calendar year, no later than August 1 of the current calendar year.

(2) The Franchise Tax Board shall compute an inflation adjustment factor by adding 100 percent to that portion of the percentage change figure which is furnished pursuant to paragraph (1) and dividing the result by 100.

(3) The Franchise Tax Board shall multiply the amounts in the preceding taxable year by the inflation adjustment factor determined in paragraph (2), and round off the resulting products

to the nearest one dollar (\$1).

(4) In computing the amounts pursuant to this subdivision, the amounts provided in paragraph (1) of subdivision (a) shall be twice the amount provided in paragraph (2) of subdivision (a).

(l) (1) The amendments to this section by the act adding this subdivision shall be applicable to taxable years beginning on and after January 1, 1991, and before January 1, 1993.

(2) This section shall be inoperative for taxable years beginning on and after January 1, 1993.

(3) This section shall remain in effect until December 1, 1996, and as of that date is repealed.

SEC. 2. This act provides for a tax levy within the meaning of Article IV of the Constitution and shall go into immediate effect.

CHAPTER 145

An act to amend Section 1203.1f of, and to add Sections 1203.1m, 5007.5, and 5023 to, the Penal Code, relating to corrections, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 9, 1994. Filed with
Secretary of State July 11, 1994.]

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

SECTION 1. Section 1203.1f of the Penal Code, as amended by Section 3 of Chapter 437 of the Statutes of 1991, is amended to read:

1203.1f. If practicable, the court shall consolidate the ability to pay determination hearings authorized pursuant to Sections 987.8, 1203.1b, 1203.1c, and 1203.1m into one proceeding, and the determination of ability to pay made at the consolidated hearing may be used for all purposes relating to these listed sections.

This section shall remain operative until January 1, 1995, and as of that date is repealed.

SEC. 2. Section 1203.1f of the Penal Code, as added by Section 4 of Chapter 437 of the Statutes of 1991, is amended to read:

1203.1f. If practicable, the court shall consolidate the ability to pay determination hearings authorized pursuant to Sections 987.8, 1203.1b, 1203.1c, 1203.1e, and 1203.1m into one proceeding, and the determination of ability to pay made at the consolidated hearing may be used for all purposes relating to these listed sections.

This section shall become operative on January 1, 1995.

SEC. 3. Section 1203.1m is added to the Penal Code, to read:

1203.1m. (a) If a defendant is convicted of an offense and ordered to serve a period of imprisonment in the state prison, the court may, after a hearing, make a determination of the ability of the defendant to pay all or a portion of the reasonable costs of the imprisonment. The reasonable costs of imprisonment shall not

exceed the amount determined by the Director of Corrections to be the actual average cost of imprisonment in the state prison on a per-day basis.

(b) The court may, in its discretion before any hearing, order the defendant to file a statement setting forth his or her assets, liability, and income, under penalty of perjury. At the hearing, the defendant shall have the opportunity to be heard in person or through counsel, to present witnesses and other evidence, and to confront and cross-examine adverse witnesses. A defendant who is represented by counsel appointed by the court in the criminal proceedings shall be entitled to representation at any hearing held pursuant to this section. If the court determines that the defendant has the ability to pay all or a part of the costs, the court shall set the amount to be reimbursed and order the defendant to pay that sum to the Department of Corrections for deposit in the General Fund in the manner in which the court believes reasonable and compatible with the defendant's financial ability. Execution may be issued on the order in the same manner as on a judgment in a civil action. The order to pay all or part of the costs shall not be enforced by contempt.

(c) At any time during the pendency of an order made under this section, a person against whom the order has been made may petition the court to modify or vacate its previous order on the grounds of a change of circumstances with regard to the person's ability to pay. The court shall advise the person of this right at the time of making the order.

(d) If the amount paid by the defendant for imprisonment exceeds the actual average cost of the term of imprisonment actually served by the defendant, the amount paid by the defendant in excess of the actual average cost shall be returned to the defendant within 60 days of his or her release from the state prison.

(e) For the purposes of this section, in determining a defendant's ability to pay, the court shall consider the overall ability of the defendant to reimburse all or a portion of the costs of imprisonment in light of the defendant's present and foreseeable financial obligations, including family support obligations, restitution to the victim, and fines, penalties, and other obligations to the court, all of which shall take precedence over a reimbursement order made pursuant to this section.

(f) For the purposes of this section, in determining a defendant's ability to pay, the court shall not consider the following:

(1) The personal residence of the defendant, if any, up to a maximum amount of the median home sales price in the county in which the residence is located.

(2) The personal motor vehicle of the defendant, if any, up to a maximum amount of ten thousand dollars (\$10,000).

(3) Any other assets of the defendant up to a maximum amount of the median annual income in California.

SEC. 4. Section 5007.5 is added to the Penal Code, to read:

5007.5. (a) The Director of Corrections is authorized to charge

a fee in the amount of five dollars (\$5) for each inmate-initiated medical visit of an inmate confined in the state prison.

(b) The fee shall be charged to the prison account of the inmate. If the inmate has no money in his or her personal account, there shall be no charge for the medical visit.

(c) An inmate shall not be denied medical care because of a lack of funds in his or her prison account.

(d) The medical provider may waive the fee for any inmate-initiated treatment and shall waive the fee in any life-threatening or emergency situation, defined as those health services required for alleviation of severe pain or for immediate diagnosis and treatment of unforeseen medical conditions that if not immediately diagnosed and treated could lead to disability or death.

(e) Followup medical visits at the direction of the medical staff shall not be charged to the inmate.

(f) All moneys received by the Director of Corrections pursuant to this section shall be transferred to the General Fund.

SEC. 5. Section 5023 is added to the Penal Code, to read:

5023. The California Medical Assistance Commission may negotiate contracts, that shall be binding upon the Department of Corrections, for the provision of acute inpatient hospital services for the care of inmates of the Department of Corrections.

The commission may also, if deemed expedient, call for bids, in lieu of negotiations. The commissioner shall consider, when contracting, the total funds appropriated for inpatient hospital services.

The department shall enter into contracts with hospitals and shall be bound by the rates, terms, and conditions negotiated by the commission.

SEC. 6. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order for the Budget Act of 1994 to be implemented in a timely and appropriate manner, it is necessary that this act take effect immediately.

CHAPTER 146

An act to amend Sections 166, 729, 3502, 3521.5, 4980.45, 6157.5, 6403, 8025.1, and 10145 of, and to amend and renumber Section 6086.13 of, the Business and Professions Code, to amend Sections 1785.11, 1785.13, 1950.5, 2982, 2984.3, 2986.2, and 3482.6 of, and to repeal Section 4722.5 of, the Civil Code, to amend Sections 405.21, 472b, and 695.220 of, to amend and renumber Section 383 of, to amend and renumber the heading of Article 3 (commencing with Section 405.30), Article 4 (commencing with Section 405.50), and Article 5 (commencing with Section 405.60) of Chapter 2 of Title 4.5

of Part 2 of, and to repeal Title 1 (commencing with Section 1823) of Part 3.5 of, the Code of Civil Procedure, to amend Sections 1981, 41305, 42238, 44277, 48911, 48918, 56034, 56155.5, 56366.1, 56775, and 60240 of the Education Code, to amend Sections 2552, 2601, and 6005 of the Elections Code, to amend Section 2110 of, and to add Section 4071.5 to, the Family Code, to amend Sections 857, 8051.2, 8598, and 12157 of the Fish and Game Code, to amend Sections 232, 235, 4104, 77417, and 77442 of, to amend and renumber Sections 239, 240, 241, 242, 243, 77501, 77502, 77503, 77504, and 77505 of, and to repeal Article 2 (commencing with Section 56732) of Chapter 7.5 of Division 20 of, the Food and Agricultural Code, to amend Sections 6159, 9020, 10207, 11135, 12811, 12945.2, 13960, 14669.8, 16367.5, 20013.7, 20013.75, 56375, 68059, and 95004 of, to amend and renumber Sections 6516.5 and 15819.32 of, to amend and renumber the heading of Chapter 11 (commencing with Section 15399.50) of Part 6.7 of Division 3 of Title 2 of, to repeal, amend, and renumber the heading of Article 3.6 (commencing with Section 15346) of Chapter 1 of Part 6.7 of Division 3 of Title 2 of, and to repeal Sections 12955.9, 26751, 41612, 53115.1, 54925.1, and 54952.2 of, the Government Code, to amend Sections 658.3, 1126, and 1171.5 of the Harbors and Navigation Code, to amend Sections 429.16, 1259.5, 1266, 1357, 1418.8, 1562.5, 1569.694, 10284, 10325, 11366.8, 25159.18, 25187, 25200.1.5, 25201.5, 25355.7, 26569.29, 33334.20, 33607.7, 33676, 42400.4, and 50406 of, to amend and renumber Sections 429.13, 429.14, 429.15, 1250.1, 1367.5, 17922.1, 25201.10, 25359.3, 33492.50, 33492.51, 33492.53, and 33492.69 of, to add the heading of Article 4 (commencing with Section 33492.70) to Chapter 4.5 of Part 1 of Division 24 of, to repeal Sections 1596.803, 33492.55, 33681.6, and 33682.1 of, to repeal Article 7.5 (commencing with Section 1389.1) of Chapter 2.2 of Division 2 of, to repeal Article 1 (commencing with Section 33492) of Chapter 4.5 of Part 1 of Division 24 of, and to repeal the heading of Article 2 (commencing with Section 33492.50) of Chapter 4.5 of Part 1 of Division 24 of, and to repeal the heading of Chapter 4.5 (commencing with Section 33492) of Part 1 of Division 24 of, the Health and Safety Code, to repeal Sections 10112.5 and 10384 of the Insurance Code, to amend Sections 53, 54.5, 55, 56, 60, 119, 125, 126, 133, 138.2 138.5, 3205, 3205.5, 3206, 3717, 4409, 4726, 4753.5, 5300, 5305, 5450, 5451, 5452, 5453, 5454, 5703, and 9021.9 of, and to repeal Section 2808 of, the Labor Code, to amend Sections 395.1 and 395.3 of the Military and Veterans Code, to amend Sections 987.2, 1170.1, 1203, 1203.1g, 12021, and 12305 of, to amend and renumber Section 11113 of, and to repeal Sections 209.5 and 215 of, the Penal Code, to amend Section 2051 of the Public Contract Code, to amend Sections 5029, 5079.01, 5079.12, 6217, 14571.7, 41780.2, 42291, 42950, and 60007 of, to amend and renumber Section 42145.5 of, and to repeal Section 5072.8 of, the Public Resources Code, to amend Sections 1007.5, 2872, 2891.1, 3910, 3911, and 99401.5 of, and to amend and renumber Section 2282.5 of, the Public Utilities Code, to amend Sections 74.3, 254.5, 2188.8, 6073, 6355, 6358.2, 13210, 13221, 17053.45, 17053.46, 17145, 18431.2, 18723, 24356.3,

30101, 41136, and 41137 of, to amend and renumber Sections 97.036, 97.038, and 19531 of, and to repeal Sections 18512, 30461.6, and 43152.11 of, the Revenue and Taxation Code, to amend Section 223 of the Streets and Highways Code, to amend Sections 1095, 1875, and 9601.7 of the Unemployment Insurance Code, to amend Sections 5002.6, 5024, and 11709.2 of the Vehicle Code, to amend Sections 366.21, 729, 731.6, 11325.2, 11400, 11462.05, 11466.2, 12301.6, 16516, and 19150 of, and to amend and renumber Section 14124.92 of, the Welfare and Institutions Code, to amend Section 23.5 of Chapter 503 of the Statutes of 1955, Section 2 of Chapter 775 of the Statutes of 1989, Section 22 of Chapter 1608 of the Statutes of 1990, Section 4 of Chapter 346 of the Statutes of 1992, and Section 10 of Chapter 312 of, and Sections 1 and 7 of Chapter 1270 of, the Statutes of 1993, relating to the maintenance of the codes.

[Approved by Governor July 9, 1994. Filed with
Secretary of State July 11, 1994.]

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

SECTION 1. Section 166 of the Business and Professions Code is amended to read:

166. The director shall, by regulation, develop guidelines to prescribe components for mandatory continuing education programs administered by any board within the department.

(a) The guidelines shall be developed to ensure that mandatory continuing education is used as a means to create a more competent licensing population, thereby enhancing public protection. The guidelines shall require mandatory continuing education programs to address, at least, the following:

- (1) Course validity.
- (2) Occupational relevancy.
- (3) Effective presentation.
- (4) Actual attendance.
- (5) Material assimilation.
- (6) Potential for application.

(b) The director shall consider educational principles, and the guidelines shall prescribe mandatory continuing education program formats to include, but not be limited to, the following:

- (1) The specified audience.
- (2) Identification of what is to be learned.
- (3) Clear goals and objectives.
- (4) Relevant learning methods (participatory, hands-on, or clinical setting).

(5) Evaluation, focused on the learner and the assessment of the intended learning outcomes (goals and objectives).

(c) Any board within the department that, after January 1, 1993, proposes a mandatory continuing education program for its licensees shall submit the proposed program to the director for review to

assure that the program contains all the elements set forth in this section and complies with the guidelines developed by the director.

(d) Any board administering a mandatory continuing education program that proposes to amend its current program shall do so in a manner consistent with this section.

(e) Any board currently administering a mandatory continuing education program shall review the components and requirements of the program to determine the extent to which they are consistent with the guidelines developed under this section. The board shall submit a report of their findings to the director. The report shall identify the similarities and differences of its mandatory continuing education program. The report shall include any board-specific needs to explain the variation from the director's guidelines.

(f) Any board administering a mandatory continuing education program, when accepting hours for credit which are obtained out of state, shall ensure that the course for which credit is given is administered in accordance with the guidelines addressed in subdivision (a).

(g) Nothing in this section or in the guidelines adopted by the director shall be construed to repeal any requirements for continuing education programs set forth in any other provision of this code.

SEC. 2. Section 729 of the Business and Professions Code is amended to read:

729. (a) Any physician and surgeon, psychotherapist, or any person holding himself or herself out to be a physician and surgeon or psychotherapist, who engages in an act of sexual intercourse, sodomy, oral copulation, or sexual contact with a patient or client, or with a former patient or client when the relationship was terminated primarily for the purpose of engaging in those acts, unless the physician and surgeon or psychotherapist has referred the patient or client to an independent and objective physician and surgeon or psychotherapist, recommended by a third-party physician and surgeon or psychotherapist, for treatment, is guilty of sexual exploitation by a physician and surgeon or psychotherapist.

(b) Sexual exploitation by a physician and surgeon or psychotherapist is a public offense:

(1) An act in violation of subdivision (a) shall be punishable by imprisonment in a county jail for a period of not more than six months, or a fine not exceeding one thousand dollars (\$1,000), or both.

(2) Multiple acts in violation of subdivision (a) with a single victim, when the offender has no prior conviction for sexual exploitation, shall be punishable by imprisonment in a county jail for a period of not more than six months, or a fine not exceeding one thousand dollars (\$1,000), or both.

(3) An act or acts in violation of subdivision (a) with two or more victims shall be punishable by imprisonment in the state prison for a period of 16 months, two years, or three years, and a fine not

exceeding ten thousand dollars (\$10,000); or the act or acts shall be punishable by imprisonment in a county jail for a period of not more than one year, or a fine not exceeding one thousand dollars (\$1,000), or both.

(4) Two or more acts in violation of subdivision (a) with a single victim, when the offender has at least one prior conviction for sexual exploitation, shall be punishable by imprisonment in the state prison for a period of 16 months, two years, or three years, and a fine not exceeding ten thousand dollars (\$10,000); or the act or acts shall be punishable by imprisonment in a county jail for a period of not more than one year, or a fine not exceeding one thousand dollars (\$1,000), or both.

(5) An act or acts in violation of subdivision (a) with two or more victims, and the offender has at least one prior conviction for sexual exploitation, shall be punishable by imprisonment in the state prison for a period of 16 months, two years, or three years, and a fine not exceeding ten thousand dollars (\$10,000).

For purposes of subdivision (a), in no instance shall consent of the patient or client be a defense. However, physicians and surgeons shall not be guilty of sexual exploitation for touching any intimate part of a patient or client unless the touching is outside the scope of medical examination and treatment, or the touching is done for sexual gratification.

(c) For purposes of this section:

(1) "Psychotherapist" has the same meaning as defined in Section 728.

(2) "Sexual contact" means sexual intercourse or the touching of an intimate part of a patient for the purpose of sexual arousal, gratification, or abuse.

(3) "Intimate part" and "touching" have the same meanings as defined in Section 243.4 of the Penal Code.

(d) In the investigation and prosecution of a violation of this section, no person shall seek to obtain disclosure of any confidential files of other patients, clients, or former patients or clients of the physician and surgeon or psychotherapist.

(e) This section does not apply to sexual contact between a physician and surgeon and his or her spouse or person in an equivalent domestic relationship when that physician and surgeon provides medical treatment, other than psychotherapeutic treatment, to his or her spouse or person in an equivalent domestic relationship.

(f) If a physician and surgeon or psychotherapist in a professional partnership or similar group has sexual contact with a patient in violation of this section, another physician and surgeon or psychotherapist in the partnership or group shall not be subject to action under this section solely because of the occurrence of that sexual contact.

SEC. 3. Section 3502 of the Business and Professions Code is amended to read:

3502. (a) Notwithstanding any other provision of law, a physician assistant may perform those medical services as set forth by the regulations of the board when the services are rendered under the supervision of a licensed physician and surgeon or of physicians and surgeons approved by the board, except as provided in Section 3502.5.

(b) Notwithstanding any other provision of law, a trainee may perform those medical services as set forth by the regulations of the board when those services are rendered within the scope of an approved program.

(c) No medical services may be performed under this chapter in any of the following areas:

(1) The determination of the refractive states of the human eye, or the fitting or adaptation of lenses or frames for the aid thereof.

(2) The prescribing or directing the use of, or using, any optical device in connection with ocular exercises, visual training, or orthoptics.

(3) The prescribing of contact lenses for, or the fitting or adaptation of contact lenses to, the human eye.

(4) The practice of dentistry or dental hygiene or the work of a dental auxiliary as defined in Chapter 4 (commencing with Section 1600).

(d) This section shall not be construed in a manner that shall preclude the performance of routine visual screening as defined in Section 3501.

SEC. 4. Section 3521.5 of the Business and Professions Code is amended to read:

3521.5. The committee shall report to the appropriate policy and fiscal committees of each house of the Legislature whenever the board approves a fee increase pursuant to Sections 3521 and 3521.1. The committee shall specify the reasons for each increase in the report. Reports prepared pursuant to this section shall identify the percentage of funds derived from an increase in fees pursuant to Senate Bill 1077 of the 1991-92 Regular Session (Chapter 917, Statutes of 1991) that will be used for investigational and enforcement activities by the board and committee.

SEC. 5. Section 4980.45 of the Business and Professions Code is amended to read:

4980.45. (a) A licensed professional in private practice who is a marriage, family, and child counselor, a psychologist, a clinical social worker, a licensed physician certified in psychiatry by the American Board of Psychiatry and Neurology, or a licensed physician who has completed a residency in psychiatry and who is described in subdivision (f) of Section 4980.40 may supervise or employ, at any one time, no more than two unlicensed marriage, family, and child counselor registered interns in that private practice.

(b) A marriage, family, and child counseling corporation, as defined in Section 4987.5, may employ, at any one time, no more than two registered interns for each employee or shareholder who is

qualified to provide supervision pursuant to subdivision (f) of Section 4980.40. In no event shall any corporation employ, at any one time, more than 10 registered interns. In no event shall any supervisor supervise, at any one time, more than two registered interns. Persons who supervise interns shall be employed full time by the professional corporation and shall be actively engaged in performing professional services at and for the professional corporation. Employment and supervision within a marriage, family, and child counseling corporation shall be subject to all laws and regulations governing experience and supervision gained in a private practice setting.

(c) Within 30 days of employment and within 30 days of termination of employment, in any allowable work setting, a registered intern shall notify the board in writing of the employment or termination of employment. The notice shall include the name of the registered intern, the full name and business address of the employer, the type of work setting where the intern is gaining hours of experience, and the date employment commenced or terminated. If an intern fails to notify the board within 30 days after the date of his or her employment or termination of employment, the board shall not accept any hours of experience gained during that period of employment prior to notification for the purposes of meeting the experience requirements for licensure. The board may, at its discretion, waive this requirement when it believes good cause exists. "Employment," as used in this section, means the gaining of hours of experience in an allowable setting as an employee or as a volunteer. This subdivision does not apply to hours gained on or after January 1, 1994.

SEC. 6. Section 6086.13 of the Business and Professions Code, as added by Section 2 of Chapter 1265 of the Statutes of 1992, is amended and renumbered to read:

6086.15. (a) The State Bar shall issue an Annual Discipline Report by April 30 of each year describing the performance and condition of the State Bar discipline system. The report shall cover the previous calendar year and shall include accurate and complete descriptions of all of the following:

- (1) The existing backlog of cases within the discipline system.
- (2) The number of inquiries and complaints and their disposition.
- (3) The number and types of matters self-reported by members of the State Bar pursuant to subdivision (o) of Section 6068 and subdivision (c) of Section 6086.8.
- (4) The number and types of matters reported by other sources pursuant to Sections 6086.7 and 6086.8.
- (5) The speed of complaint handling and dispositions by type.
- (6) The number and types of filed notices to show cause and formal disciplinary outcomes.
- (7) The number and types of informal discipline outcomes, including petitions to terminate practice, interim suspensions and license restrictions, criminal conviction monitoring, letters of

warning, private reprovals, admonitions, and agreements in lieu of discipline.

(8) A description of the programs of the State Bar directed at assuring honesty and competence by attorneys.

(9) A description of the programs of the State Bar directed at preventing acts warranting discipline.

(10) A description of the condition of the Client Security Fund, including an accounting of payouts.

(11) A report on the audits and decisions of the Complainants' Grievance Panel.

(12) An accounting of the cost of the discipline system by function.

(b) The Annual Discipline Report shall include statistical information presented in a consistent manner for year-to-year comparison and shall compare the information required under subdivision (a) to similar information for the previous three years. The report shall include the general data and tables included in the previous reports of the State Bar Discipline Monitor where feasible.

(c) The Annual Discipline Report shall be presented to the Chief Justice of the Supreme Court, to the Governor, to the Speaker of the Assembly, and the President pro Tempore of the Senate for their consideration and shall be considered a public document.

SEC. 7. Section 6157.5 of the Business and Professions Code is amended to read:

6157.5. The court shall report the name, address, and professional license number of any person found to be in violation of this article to the appropriate professional licensing agency for review and possible disciplinary action.

SEC. 8. Section 6403 of the Business and Professions Code is amended to read:

6403. (a) The application for registration of a natural person shall contain all of the following statements about the applicant:

(1) Name, age, address, and telephone number.

(2) Whether he or she has been convicted of a felony, or of a misdemeanor under Section 6126 or 6127.

(3) Whether he or she has been held liable in a civil action by final judgment or consented to the entry of a stipulated judgment, if the action alleged fraud, or the use of untrue or misleading representations, or the use of an unfair, unlawful, or deceptive business practice.

(b) The application for registration of a partnership or corporation shall contain all of the following statements about the applicant:

(1) The names, ages, addresses, and telephone numbers of the general partners or officers.

(2) Whether the general partners or officers have ever been convicted of a felony.

(3) Whether the general partners or officers have ever been held liable in a civil action by final judgment or have consented to the

entry of a stipulated judgment. If the action alleged fraud, whether it involved the use of untrue or misleading representations, or the use of an unfair, unlawful, or deceptive business practice.

SEC. 9. Section 8025.1 of the Business and Professions Code is amended to read:

8025.1. (a) In addition to the causes for discipline or denial of certification set forth in Section 8025, the board may suspend or revoke any certificate, or deny certification, on any of the following grounds:

(1) That the applicant or licensee is incapable of performing the duties of a certified shorthand reporter due to physical or mental infirmity or incapacity.

(2) That the applicant or licensee is unable to perform the duties of a certified shorthand reporter due to the abuse of chemical substances or alcohol.

(b) For purposes of determining the existence or nonexistence of grounds for denial, suspension, or revocation of a license as set forth in this section, the board may, based upon a reasonable belief that grounds exist, require the applicant or licensee to submit to a physical or mental examination or examinations by a licensed physician as designated by the board. Failure to submit to, or to schedule, a physical or mental examination within 10 days of written demand by the board shall result in the automatic suspension of any license or the denial of any application. The denial of an application on any of the grounds set forth in this section shall be subject to the provisions of Sections 11504 and 11504.5 of the Government Code. The licensee may request a hearing to contest an automatic suspension of licensure under this section by sending a written request for hearing to the offices of the board within 12 days of the date that the board mails a notice of suspension to the licensee. If a hearing is requested, it shall be convened within 30 days after the receipt by the board of the written request for the hearing. The hearing shall be conducted in accordance with the provisions of Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code. The sole issue for determination in the hearing, whether for denial or suspension of license, shall be whether the licensee failed or refused to submit to the physical or mental examination after being duly ordered to do so by the board. Evidence that the licensee has, since the date of automatic suspension, submitted to a mental or physical examination shall be considered as mitigation of any failure or refusal to comply with the board's order, and may, in the sound discretion of the administrative law judge, constitute cause to set aside any automatic suspension. A decision shall be rendered by the administrative law judge within 10 days of the hearing and shall constitute the final determination as to the continuing status of any automatic suspension.

(c) Following a physical or mental examination pursuant to subdivision (b), the physician conducting the examination shall determine whether the applicant or licensee is incapable of

performing the duties of a certified shorthand reporter due to physical or mental infirmity or incapacity, or whether the applicant or licensee is unable to perform the duties of a certified shorthand reporter due to the abuse of chemical substances or alcohol. Where a medical determination is made that an impairment exists, and the finding is reported to the board, the board shall deny any application and any license shall be automatically suspended. The denial of an application on these grounds shall be subject to the provisions of Sections 11504 and 11504.5 of the Government Code. The licensee may request a hearing to contest an automatic suspension of licensure under this section by sending a written request for hearing to the offices of the board within 12 days of the date that the board mails a notice of suspension to the licensee. If a hearing is requested, it shall be convened within 30 days after the receipt by the board of the written request for hearing. The hearing shall be conducted in accordance with Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code. The sole issue for determination in the hearing, whether for denial or suspension of license, shall be whether the applicant or licensee is incapable of performing the duties of a certified shorthand reporter due to physical or mental infirmity or incapacity, or whether the applicant or licensee is unable to perform the duties of a certified shorthand reporter due to the abuse of chemical substances or alcohol.

(d) For purposes of the hearing conducted pursuant to subdivision (c), the applicant or licensee shall, at a minimum, have the following rights:

(1) To be represented by counsel.

(2) To have a record made of the proceedings, copies of which may be obtained by the licensee upon payment of any reasonable charges associated with the record.

(3) To call, examine, and cross-examine witnesses.

(4) To present and rebut evidence determined to be relevant.

(5) To present oral argument.

(e) The statutory period governing reapplication for licensure following denial of the application as set forth in Section 486 does not apply to licenses denied under this section.

SEC. 10. Section 10145 of the Business and Professions Code is amended to read:

10145. (a) (1) A real estate broker who accepts funds belonging to others in connection with any transaction subject to this part shall deposit all funds that are not immediately placed into a neutral escrow depository or into the hands of the broker's principal, into a trust fund account maintained by the broker in a bank or recognized depository in this state. All funds deposited by the broker in a trust fund account shall be maintained there until disbursed by the broker in accordance with instructions from the person entitled to the funds.

(2) Notwithstanding paragraph (1), until January 1, 1996, a real estate broker collecting payments or performing services for investors or note owners in connection with loans secured by a first

lien on real property may deposit funds received in trust in an out-of-state depository institution insured by the Federal Deposit Insurance Corporation, if the investor or note owner is any one of the following:

(A) The Federal National Mortgage Association, the Government National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Federal Housing Administration, and the Veteran's Administration.

(B) Any bank or subsidiary thereof, bank holding company or subsidiary thereof, trust company, savings bank or savings and loan association or subsidiary thereof, savings bank or savings association holding company or subsidiary thereof, credit union, industrial bank or industrial loan company, or insurance company doing business under the authority of, and in accordance with, the laws of this state, any other state, or of the United States relating to banks, trust companies, savings banks or savings associations, credit unions, industrial banks or industrial loan companies, or insurance companies, as evidenced by a license, certificate, or charter issued by the United States or any state, district, territory, or commonwealth of the United States.

(C) Trustees of a pension, profit sharing, or welfare fund, if the pension, profitsharing, or welfare fund has a net worth of not less than fifteen million dollars (\$15,000,000).

(D) Any corporation with outstanding securities registered under Section 12 of the Securities Exchange Act of 1934 or any wholly owned subsidiary of that corporation.

(E) Any syndication or other combination of any of the entities specified in subparagraph (A), (B), (C), or (D) that is organized to purchase the promissory note.

(F) The California Housing Finance Agency or any local housing finance agency organized under the Health and Safety Code.

(G) A licensed real estate broker selling all or part of the loan, note, or contract to a lender or purchaser specified in subparagraphs (A) to (F), inclusive, of this subdivision.

(3) Until January 1, 1996, a real estate broker who deposits funds held in trust in an out-of-state depository institution in accordance with the provisions of paragraph (2) shall make available, in this state, the books, records, and files pertaining to the trust accounts to the commissioner or the commissioner's representatives, or pay the reasonable expenses for travel and lodging incurred by the commissioner or the commissioner's representatives in order to conduct an examination at any out-of-state location.

(4) The provisions of paragraphs (2) and (3) shall remain in effect only until January 1, 1996, and as of that date shall be of no force or effect unless a later enacted statute deletes or extends that date.

(b) A real estate broker acting as a principal pursuant to Section 10131.1 or Article 6 (commencing with Section 10237) of this part shall place all funds received from others for the purchase of real property sales contracts or promissory notes secured directly or

collaterally by liens on real property in a neutral escrow depository unless delivery of the contract or note is made simultaneously with the receipt of the purchase funds.

(c) A real estate sales person who accepts trust funds from others on behalf of the broker under whom he or she is licensed shall immediately deliver the funds to the broker or, if so directed by the broker, shall place the funds into the hands of the broker's principal, into a neutral escrow depository, or shall deposit the funds into the broker's trust fund account.

(d) If not otherwise expressly prohibited by a provision of this part, a real estate broker may, at the request of the owner of trust funds or of the principals to a transaction or series of transactions from whom the broker has received trust funds, deposit the funds into an interest-bearing account in a bank, savings and loan association, credit union, or industrial loan company whose accounts are insured by the Federal Deposit Insurance Corporation, if all of the following requirements are met:

(1) The account is in the name of the broker as trustee for the specified beneficiary or specified principal of a transaction or series of transactions.

(2) All of the funds in the account are covered by insurance provided by an agency of the federal government.

(3) The funds in the account are kept separate, distinct, and apart from funds belonging to the broker or to any other person for whom the broker holds funds in trust.

(4) The broker discloses to the person from whom the trust funds are received and to any beneficiary whose identity is known to the broker at the time of establishing the account the nature of the account, how interest will be calculated and paid under various circumstances, whether service charges will be paid to the depository and by whom, and possible notice requirements or penalties for withdrawal of funds from the account.

(5) No interest earned on funds in the account shall inure directly or indirectly to the benefit of the broker nor to any person licensed to the broker.

(6) In an executory sale, lease, or loan transaction in which the broker accepts funds in trust to be applied to the purchase, lease, or loan, the parties to the contract shall have specified in the contract or by collateral written agreement the person to whom interest earned on the funds is to be paid or credited.

(e) The broker shall have no obligation to place trust funds into an interest-bearing account unless requested to do so and unless all of the conditions in subdivision (d) are met; nor, in any event, if he or she advises the party making the request that the funds will not be placed in an interest-bearing account.

(f) Nothing in subdivision (d) precludes the commissioner from prescribing by regulation the circumstances in which and the conditions under which a real estate broker is authorized to deposit funds received in trust into an interest-bearing trust fund account.

(g) The broker shall maintain a separate record of the receipt and disposition of all funds described in subdivisions (a) and (b), including any interest earned on the funds.

(h) Upon request of the commissioner, a broker shall furnish to the commissioner an authorization for examination of financial records of any such trust fund accounts maintained in a financial institution, in accordance with the procedures set forth in Section 7473 of the Government Code.

(i) As used in this section "neutral escrow" means an escrow business conducted by a person licensed under Division 6 (commencing with Section 17000) of the Financial Code or by any person described in paragraph (1) or (3) of subdivision (a) of Section 17006 of that code.

SEC. 11. Section 1785.11 of the Civil Code is amended to read:

1785.11. (a) A consumer credit reporting agency shall furnish a consumer credit report only under the following circumstances:

(1) In response to the order of a court having jurisdiction to issue such an order.

(2) In accordance with the written instructions of the consumer to whom it relates.

(3) To a person whom it has reason to believe:

(A) Intends to use the information in connection with a credit transaction, or entering or enforcing an order of a court of competent jurisdiction for support, involving the consumer as to whom the information is to be furnished and involving the extension of credit to, or review or collection of an account of, the consumer; or

(B) Intends to use the information for employment purposes; or

(C) Intends to use the information in connection with the underwriting of insurance involving the consumer, or for insurance claims settlements; or

(D) Intends to use the information in connection with a determination of the consumer's eligibility for a license or other benefit granted by a governmental instrumentality required by law to consider the applicant's financial responsibility or status; or

(E) Intends to use the information in connection with the hiring of a dwelling unit, as defined in subdivision (c) of Section 1940; or

(F) Otherwise has a legitimate business need for the information in connection with a business transaction involving the consumer.

(b) A consumer credit reporting agency may furnish information for purposes of a credit transaction specified in subparagraph (A) of paragraph (4), where it is a credit transaction that is not initiated by the consumer, only under the circumstances specified in paragraph (1) or (2), as follows:

(1) The consumer authorizes the consumer credit reporting agency to furnish the consumer credit report to the person.

(2) The proposed transaction involves a firm offer of credit to the consumer, the consumer credit reporting agency has complied with subdivision (c), and the consumer has not elected pursuant to paragraph (1) of subdivision (c) to have the consumer's name

excluded from lists of names provided by the consumer credit reporting agency for purposes of reporting in connection with the potential issuance of firm offers of credit. A consumer credit reporting agency may provide only the following information pursuant to this paragraph:

(A) The name and address of the consumer.

(B) Information pertaining to a consumer that is not identified or identifiable with a particular consumer.

Except as provided in paragraph (2) of subdivision (a) of Section 1785.15, a consumer credit reporting agency shall not furnish to any person a record of inquiries solely resulting from credit transactions that are not initiated by the consumer.

(c) (1) A consumer may elect to have his or her name and address excluded from any list provided by a consumer credit reporting agency pursuant to paragraph (2) of subdivision (b) by notifying the consumer credit reporting agency, by telephone or in writing, through the notification system maintained by the consumer credit reporting agency pursuant to subdivision (d), that the consumer does not consent to any use of consumer credit reports relating to the consumer in connection with any transaction that is not initiated by the consumer.

(2) An election of a consumer under paragraph (1) shall be effective with respect to a consumer credit reporting agency, and any affiliate of the consumer credit reporting agency, on the date on which the consumer notifies the consumer credit reporting agency.

(3) An election of a consumer under paragraph (1) shall terminate and be of no force or effect following notice from the consumer to the consumer credit reporting agency, through the system established pursuant to subdivision (d), that the election is no longer effective.

(d) Each consumer credit reporting agency that furnishes a prequalifying report pursuant to subdivision (b) in connection with a credit transaction not initiated by the consumer shall establish and maintain a notification system, including a toll-free telephone number, that permits any consumer, with appropriate identification and for which the consumer credit reporting agency has a file, to notify the consumer credit reporting agency of the consumer's election to have the consumer's name removed from any list of names and addresses provided by the consumer credit reporting agency, and by any affiliated consumer credit reporting agency, pursuant to paragraph (2) of subdivision (b). Compliance with the requirements of this subdivision by a consumer credit reporting agency shall constitute compliance with those requirements by any affiliate of that consumer credit reporting agency.

(e) Each consumer credit reporting agency that compiles and maintains files on consumers on a nationwide basis shall establish and maintain a notification system under paragraph (1) of subdivision (d) jointly with its affiliated consumer credit reporting agencies.

SEC. 12. Section 1785.13 of the Civil Code is amended to read:

1785.13. (a) No consumer credit reporting agency shall make any consumer credit report containing any of the following items of information:

(1) Bankruptcies that, from the date of adjudication, antedate the report by more than 10 years.

(2) Suits and judgments that, from the date of entry or renewal, antedate the report by more than seven years or until the governing statute of limitations has expired, whichever is the longer period.

(3) Unlawful detainer actions, unless the lessor was the prevailing party. For purposes of this paragraph, the lessor shall be deemed to be the prevailing party only if (A) final judgment was awarded to the lessor (i) upon entry of the tenant's default, (ii) upon the granting of the lessor's motion for summary judgment, or (iii) following trial, or (B) the action was resolved by a written settlement agreement between the parties that states that the unlawful detainer action may be reported. In any other instance in which the action is resolved by settlement agreement, the lessor shall not be deemed to be the prevailing party for purposes of this paragraph.

(4) Paid tax liens that, from the date of payment, antedate the report by more than seven years.

(5) Accounts placed for collection or charged to profit and loss that antedate the report by more than seven years.

(6) Records of arrest, indictment, information, misdemeanor complaint, or conviction of a crime that, from the date of disposition, release, or parole, antedate the report by more than seven years. These items of information shall no longer be reported if at any time it is learned that in the case of a conviction a full pardon has been granted, or in the case of an arrest, indictment, information, or misdemeanor complaint a conviction did not result.

(7) Any other adverse information that antedates the report by more than seven years.

(b) The seven-year period specified in paragraphs (5) and (7) of subdivision (a) shall commence to run, with respect to any account that is placed for collection (internally or by referral to a third party, whichever is earlier), charged to profit and loss, or subjected to any similar action, upon the expiration of the 180-day period beginning on the date of the commencement of the delinquency that immediately preceded the collection activity, charge to profit and loss, or similar action. Where more than one of these actions is taken with respect to a particular account, the seven-year period specified in paragraphs (5) and (7) shall commence concurrently for all these actions on the date of the first of these actions.

(c) Any consumer credit reporting agency that furnishes a consumer credit report containing information regarding any case involving a consumer arising under the bankruptcy provisions of Title 11 of the United States Code shall include an identification of the chapter of Title 11 of the United States Code under which the case arose if that can be ascertained from what was provided to the consumer credit reporting agency by the source of the information.

(d) A consumer credit report shall not include any adverse information concerning a consumer antedating the report by more than 10 years or that otherwise is prohibited from being included in a consumer credit report.

(e) If a consumer credit reporting agency is notified by a furnisher of credit information that an open-end credit account of the consumer has been closed by the consumer, any consumer credit report thereafter issued by the consumer credit reporting agency with respect to that consumer, and that includes information respecting that account, shall indicate the fact that the consumer has closed the account. For purposes of this subdivision, "open-end credit account" does not include any demand deposit account, such as a checking account, money market account, or share draft account.

(f) Consumer credit reporting agencies shall not include medical information in their files on consumers or furnish medical information for employment or credit purposes in a consumer credit report without the consent of the consumer.

(g) A consumer credit reporting agency shall include in any consumer credit report information, if any, on the failure of the consumer to pay overdue child or spousal support, where the information either was provided to the consumer credit reporting agency pursuant to Section 4752 or has been provided to the consumer credit reporting agency and verified by another federal, state, or local governmental agency.

SEC. 13. Section 1950.5 of the Civil Code is amended to read:

1950.5. (a) This section applies to security for a rental agreement for residential property that is used as the dwelling of the tenant.

(b) As used in this section, "security" means any payment, fee, deposit or charge, including, but not limited to, an advance payment of rent, used or to be used for any purpose, including, but not limited to, any of the following:

(1) The compensation of a landlord for a tenant's default in the payment of rent.

(2) The repair of damages to the premises, exclusive of ordinary wear and tear, caused by the tenant or by a guest or licensee of the tenant.

(3) The cleaning of the premises upon termination of the tenancy.

(4) To remedy future defaults by the tenant in any obligation under the rental agreement to restore, replace, or return personal property or appurtenances, exclusive of ordinary wear and tear, if the security deposit is authorized to be applied thereto by the rental agreement.

(c) A landlord may not demand or receive security, however denominated, in an amount or value in excess of an amount equal to two months' rent, in the case of unfurnished residential property, and an amount equal to three months' rent, in the case of furnished residential property, in addition to any rent for the first month paid on or before initial occupancy.

This subdivision does not prohibit an advance payment of not less than six months' rent where the term of the lease is six months or longer.

This subdivision does not preclude a landlord and a tenant from entering into a mutual agreement for the landlord, at the request of the tenant and for a specified fee or charge, to make structural, decorative, furnishing, or other similar alterations, if the alterations are other than cleaning or repairing for which the landlord may charge the previous tenant as provided by subdivision (e).

(d) Any security shall be held by the landlord for the tenant who is party to the lease or agreement. The claim of a tenant to the security shall be prior to the claim of any creditor of the landlord.

(e) The landlord may claim of the security only those amounts as are reasonably necessary for the purposes specified in subdivision (b). The landlord may not assert a claim against the tenant or the security for damages to the premises or any defective conditions that preexisted the tenancy, for ordinary wear and tear or the effects thereof, whether the wear and tear preexisted the tenancy or occurred during the tenancy, or for the cumulative effects of ordinary wear and tear occurring during any one or more tenancies.

(f) Within three weeks after the tenant has vacated the premises, the landlord shall furnish the tenant, by personal delivery or by first-class mail, postage prepaid, a copy of an itemized statement indicating the basis for, and the amount of, any security received and the disposition of the security and shall return any remaining portion of the security to the tenant.

(g) Upon termination of the landlord's interest in the dwelling unit in question, whether by sale, assignment, death, appointment of receiver or otherwise, the landlord or the landlord's agent shall, within a reasonable time, do one of the following acts, either of which shall relieve the landlord of further liability with respect to the security held:

(1) Transfer the portion of the security remaining after any lawful deductions made under subdivision (e) to the landlord's successor in interest. The landlord shall thereafter notify the tenant by personal delivery or by first-class mail, postage prepaid, of the transfer, of any claims made against the security, of the amount of the security deposited, and of the names of the successors in interest, their address, and their telephone number. If the notice to the tenant is made by personal delivery, the tenant shall acknowledge receipt of the notice and sign his or her name on the landlord's copy of the notice.

(2) Return the portion of the security remaining after any lawful deductions made under subdivision (e) to the tenant, together with an accounting as provided in subdivision (f).

(h) Prior to the voluntary transfer of a landlord's interest in a dwelling unit, the landlord shall deliver to the landlord's successor in interest a written statement indicating the following:

(1) The security remaining after any lawful deductions are made.

(2) An itemization of any lawful deductions from any security received.

(3) His or her election under paragraph (1) or (2) of subdivision (g).

Nothing in this subdivision shall affect the validity of title to the real property transferred in violation of the provisions of this subdivision.

(i) In the event of noncompliance with subdivision (g), the landlord's successors in interest shall be jointly and severally liable with the landlord for repayment of the security, or that portion thereof to which the tenant is entitled, when and as provided in subdivisions (e) and (f). A successor in interest of a landlord may not require the tenant to post any security to replace that amount not transferred to the tenant or successors in interest as provided in subdivision (g), unless and until the successor in interest first makes restitution of the initial security as provided in paragraph (2) of subdivision (g) or provides the tenant with an accounting as provided in subdivision (f).

Nothing in this subdivision shall preclude a successor in interest from recovering from the tenant compensatory damages that are in excess of the security received from the landlord previously paid by the tenant to the landlord.

Notwithstanding the provisions of this subdivision, if, upon inquiry and reasonable investigation, a landlord's successor in interest has a good faith belief that the lawfully remaining security deposit is transferred to him or her or returned to the tenant pursuant to subdivision (g), he or she shall not be liable for damages as provided in subdivision (k), or any security not transferred pursuant to subdivision (g).

(j) Upon receipt of any portion of the security under paragraph (1) of subdivision (g), the landlord's successors in interest shall have all of the rights and obligations of a landlord holding the security with respect to the security.

(k) The bad faith claim or retention by a landlord or the landlord's successors in interest of the security or any portion thereof in violation of this section, or the bad faith demand of replacement security in violation of subdivision (i), may subject the landlord or the landlord's successors in interest to statutory damages of up to six hundred dollars (\$600), in addition to actual damages. The court may award damages for bad faith whenever the facts warrant such an award, regardless of whether the injured party has specifically requested relief. In any action under this section, the landlord or the landlord's successors in interest shall have the burden of proof as to the reasonableness of the amounts claimed or the authority pursuant to this section to demand additional security deposits.

(l) No lease or rental agreement shall contain any provision characterizing any security as "nonrefundable."

(m) Any action under this section may be maintained in small claims court if the damages claimed, whether actual or statutory or

both, are within the jurisdictional amount allowed by Section 116.220 of the Code of Civil Procedure.

(n) Proof of the existence of and the amount of a security deposit may be established by any credible evidence, including, but not limited to, a canceled check, a receipt, a lease indicating the requirement of a deposit as well as the amount, prior consistent statements or actions of the landlord or tenant, or a statement under penalty of perjury that satisfies the credibility requirements set forth in Section 780 of the Evidence Code.

(o) The amendments to this section made during the 1985 portion of the 1985–86 Regular Session of the Legislature that are set forth in subdivision (e) are declaratory of existing law.

SEC. 14. Section 2982 of the Civil Code is amended to read:

2982. Every conditional sale contract subject to this chapter shall contain the disclosures required by Regulation Z whether or not Regulation Z applies to the transaction. In addition, to the extent applicable, the contract shall contain the other disclosures and notices required by, and shall satisfy the requirements and limitations of, this section. The disclosures required by subdivision (a) may be itemized or subtotaled to a greater extent than as required by that subdivision and shall be made together and in the sequence set forth in that subdivision. All other disclosures and notices may appear in the contract in any location or sequence and may be combined or interspersed with other provisions of the contract.

(a) The contract shall contain the following disclosures, as applicable, which shall be labeled “itemization of the amount financed”:

(1) (A) The cash price, exclusive of document preparation fees, taxes imposed on the sale, pollution control certification fees, and the amount charged for a service contract.

(B) The fee to be retained by the seller for document preparation.

(C) The fee charged by the seller for certifying that the motor vehicle complies with applicable pollution control requirements.

(D) Taxes imposed on the sale.

(E) The amount charged for a service contract.

(F) The total cash price, which is the sum of subparagraphs (A) to (E), inclusive.

(2) An itemization of the amounts to be paid to any public officer for license, certificate of title, motor vehicle smog impact fee, and registration.

(3) The aggregate amount of premiums agreed, upon execution of the contract, to be paid for policies of insurance included in the contract, excluding the amount of any insurance premium included in the finance charge.

(4) The amount of the state fee for issuance of a certificate of compliance, noncompliance, or waiver pursuant to any applicable pollution control statute.

(5) A subtotal representing the sum of the foregoing items.

(6) The amount of the buyer's downpayment itemized to show the following:

(A) The net agreed value of the property being traded in.

(B) The amount of any portion of the downpayment to be deferred until not later than the due date of the second regularly scheduled installment under the contract and which is not subject to a finance charge.

(C) The amount of any manufacturer's rebate applied or to be applied to the downpayment.

(D) The remaining amount paid or to be paid by the buyer as a downpayment.

(7) The amount of any administrative finance charge, labeled "prepaid finance charge."

(8) The difference between item (5) and the sum of items (6) and (7), labeled "amount financed."

(b) No particular terminology is required to disclose the items set forth in subdivision (a) except as expressly provided in that subdivision.

(c) If payment of all or a portion of the downpayment is to be deferred, the deferred payment shall be reflected in the payment schedule disclosed pursuant to Regulation Z.

(d) If the downpayment includes property being traded in, the contract shall contain a brief description of that property.

(e) The contract shall contain the names and addresses of all persons to whom the notice required under Section 2983.2 and permitted under Sections 2983.5 and 2984 is to be sent.

(f) (1) Where the contract includes a finance charge determined on the precomputed basis, the contract shall identify the method of computing the unearned portion of the finance charge in the event of prepayment in full of the buyer's obligation and contain a statement of the amount or method of computation of any charge that may be deducted from the amount of any unearned finance charge in computing the amount that will be credited to the obligation or refunded to the buyer. The method of computing the unearned portion of the finance charge shall be sufficiently identified with a reference to the actuarial method if the computation will be under that method. The method of computing the unearned portion of the finance charge shall be sufficiently identified with a reference to the Rule of 78's, the sum of the digits, or the sum of the periodic time balances method in all other cases, and those references shall be deemed to be equivalent for disclosure purposes.

(2) Where the contract includes a finance charge that is determined on the simple-interest basis but provides for a minimum finance charge in the event of prepayment in full, the contract shall contain a statement of that fact and the amount of the minimum finance charge or its method of calculation.

(g) (1) Where the contract includes a finance charge that is determined on the precomputed basis and provides that the

unearned portion of the finance charge to be refunded upon full prepayment of the contract is to be determined by a method other than actuarial, the contract shall contain a notice, in at least 10-point boldface type if the contract is printed, reading as follows: "Notice to buyer: (1) Do not sign this agreement before you read it or if it contains any blank spaces to be filled in. (2) You are entitled to a completely filled-in copy of this agreement. (3) You can prepay the full amount due under this agreement at any time and obtain a partial refund of the finance charge if it is one dollar (\$1) or more. Because of the way the amount of this refund will be figured, the time when you prepay could increase the ultimate cost of credit under this agreement. (4) If you default in the performance of your obligations under this agreement, the vehicle may be repossessed and you may be subject to suit and liability for the unpaid indebtedness evidenced by this agreement."

(2) Where the contract includes a finance charge that is determined on the precomputed basis and provides for the actuarial method for computing the unearned portion of the finance charge upon prepayment in full, the contract shall contain a notice, in at least 10-point boldface type if the contract is printed, reading as follows: "Notice to buyer: (1) Do not sign this agreement before you read it or if it contains any blank spaces to be filled in. (2) You are entitled to a completely filled-in copy of this agreement. (3) You can prepay the full amount due under this agreement at any time and obtain a partial refund of the finance charge if it is one dollar (\$1) or more. (4) If you default in the performance of your obligations under this agreement, the vehicle may be repossessed and you may be subject to suit and liability for the unpaid indebtedness evidenced by this agreement."

(3) Where the contract includes a finance charge that is determined on the simple-interest basis, the contract shall contain a notice, in at least 10-point boldface type if the contract is printed, reading as follows: "Notice to buyer: (1) Do not sign this agreement before you read it or if it contains any blank spaces to be filled in. (2) You are entitled to a completely filled-in copy of this agreement. (3) You can prepay the full amount due under this agreement at any time. (4) If you default in the performance of your obligations under this agreement, the vehicle may be repossessed and you may be subject to suit and liability for the unpaid indebtedness evidenced by this agreement."

(h) The contract shall contain a notice in at least 8-point boldface type, acknowledged by the buyer, that reads as follows:

"If you have a complaint concerning this sale, you should try to resolve it with the seller.

Complaints concerning unfair or deceptive practices or methods by the seller may be referred to the city attorney, the district attorney, or the Department of Motor Vehicles, Division of Investigations and Occupational Licensing, P.O. Box 93289,

Sacramento, California 94232-3890, or any combination thereof.

After this contract is signed, the seller may not change the financing or payment terms unless you agree in writing to the change. You do not have to agree to any change, and it is an unfair or deceptive practice for the seller to make a unilateral change.

Buyer's Signature"

(i) (1) The contract shall contain an itemization of any insurance included as part of the amount financed disclosed pursuant to paragraph (3) of subdivision (a) and of any insurance included as part of the finance charge. The itemization shall identify the type of insurance coverage and the premium charged therefor, and, if the insurance expires before the date of the last scheduled installment included in the repayment schedule, the term of the insurance shall be stated.

(2) If any charge for insurance (other than for credit life or disability) is included in the contract balance and disbursement of any part thereof is to be made more than one year after the date of the conditional sale contract, any finance charge on the amount to be disbursed after one year shall be computed from the month the disbursement is to be made to the due date of the last installment under the conditional sale contract.

(j) (1) The dollar amount of the disclosed finance charge shall not exceed the greater of:

(A) (i) One and one-half percent on so much of the unpaid balance as does not exceed two hundred twenty-five dollars (\$225), 1½ percent on so much of the unpaid balance in excess of two hundred twenty-five dollars (\$225) as does not exceed nine hundred dollars (\$900), ⅓ of 1 percent on so much of the unpaid balance in excess of nine hundred dollars (\$900) as does not exceed one thousand six hundred fifty dollars (\$1,650), and ¼ of 1 percent on that portion of the unpaid balance that exceeds one thousand six hundred fifty dollars (\$1,650); or

(ii) One percent of the entire unpaid balance; multiplied in either case by the number of months (computed on the basis of a full month for any fractional month period in excess of 15 days) elapsing between the date of the contract and the due date of the last installment; or

(B) If the finance charge is determined by the precomputed basis, twenty-five dollars (\$25); or

(C) If the finance charge or a portion thereof is determined by the simple-interest basis:

(i) Twenty-five dollars (\$25) if the unpaid balance does not exceed one thousand dollars (\$1,000), (ii) fifty dollars (\$50) if the unpaid balance exceeds one thousand dollars (\$1,000) but does not exceed two thousand dollars (\$2,000), or (iii) seventy-five dollars (\$75) if the unpaid balance exceeds two thousand dollars (\$2,000).

(2) The holder of the contract shall not charge, collect, or receive a finance charge that exceeds the disclosed finance charge, except to the extent (A) caused by the holder's receipt of one or more payments under a contract that provides for determination of the finance charge or a portion thereof on the 365-day basis at a time or times other than as originally scheduled whether or not the parties enter into an agreement pursuant to Section 2982.3, (B) permitted by paragraph (2), (3), or (4) of subdivision (c) of Section 226.17 of Regulation Z, or (C) permitted by subdivisions (a) and (c) of Section 2982.8.

(3) If the finance charge or a portion thereof is determined by the simple-interest basis and the amount of the unpaid balance exceeds five thousand dollars (\$5,000), the holder of the contract may, in lieu of its right to a minimum finance charge under subparagraph (C) of paragraph (1), charge, receive, or collect on the date of the contract an administrative finance charge not to exceed seventy-five dollars (\$75), provided that the sum of the administrative finance charge and the portion of the finance charge determined by the simple-interest basis shall not exceed the maximum total finance charge permitted by subparagraph (A) of paragraph (1). Any administrative finance charge that is charged, received, or collected by a holder shall be deemed a finance charge earned on the date of the contract.

(4) When a contract provides for unequal or irregular payments, or payments on other than a monthly basis, the maximum finance charge shall be at the effective rate provided for in paragraph (1), having due regard for the schedule of installments.

(k) The contract may provide that, for each installment in default for a period of not less than 10 days, the buyer shall pay a delinquency charge in an amount not to exceed in the aggregate 5 percent of the delinquent installment, which amount may be collected only once on any installment regardless of the period during which it remains in default. Payments timely received by the seller under an extension or deferral agreement shall not be subject to a delinquency charge unless the charge is permitted by Section 2982.3. The contract may provide for reasonable collection costs and fees in the event of delinquency.

(l) Notwithstanding any provision of a contract to the contrary, the buyer may pay at any time before maturity the entire indebtedness evidenced by the contract without penalty. In the event of prepayment in full:

(1) If the finance charge was determined on the precomputed basis, the amount required to prepay the contract shall be the outstanding contract balance as of that date, provided, however, that the buyer shall be entitled to a refund credit in the amount of the unearned portion of the finance charge, except as provided in paragraphs (3) and (4). The amount of the unearned portion of the finance charge shall be at least as great a proportion of the finance charge, including any additional finance charge imposed pursuant to

Section 2982.8 or other additional charge imposed because the contract has been extended, deferred, or refinanced, as the sum of the periodic monthly time balances payable more than 15 days after the date of prepayment bears to the sum of all the periodic monthly time balances under the schedule of installments in the contract or, if the contract has been extended, deferred, or refinanced, as so extended, deferred, or refinanced. Where the amount of the refund credit is less than one dollar (\$1), no refund credit need be made by the holder. Any refund credit may be made in cash or credited to the outstanding obligations of the buyer under the contract.

(2) If the finance charge or a portion thereof was determined on the simple-interest basis, the amount required to prepay the contract shall be the outstanding contract balance as of that date, including any earned finance charges that are unpaid as of that date and, if applicable, the amount provided in paragraph (3), and provided further that in cases where a finance charge is determined on the 360-day basis, the payments theretofore received will be assumed to have been received on their respective due dates regardless of the actual dates on which the payments were received.

(3) Where the minimum finance charge provided by subparagraph (B) or subparagraph (C) of paragraph (1) of subdivision (j), if either is applicable, is greater than the earned finance charge as of the date of prepayment, the holder additionally shall be entitled to the difference.

(4) This subdivision shall not impair the right of the seller or the seller's assignee to receive delinquency charges on delinquent installments and reasonable costs and fees as provided in subdivision (k) or extension or deferral agreement charges as provided in Section 2982.3.

(5) Notwithstanding any provision of a contract to the contrary, whenever the indebtedness created by any contract is satisfied prior to its maturity through surrender of the motor vehicle, repossession of the motor vehicle, redemption of the motor vehicle after repossession, or any judgment, the outstanding obligation of the buyer shall be determined as provided in paragraph (1) or (2); provided further that the buyer's outstanding obligation shall be computed by the holder as of the date the holder recovers the value of the motor vehicle through disposition thereof or judgment is entered or, if the holder elects to keep the motor vehicle in satisfaction of the buyer's indebtedness, as of the date the holder takes possession of the motor vehicle.

(m) Notwithstanding any other provision of this chapter to the contrary, any information required to be disclosed in a conditional sale contract under this chapter may be disclosed in any manner, method, or terminology required or permitted under Regulation Z, as in effect at the time that disclosure is made, except that permitted by paragraph (2) of subdivision (c) of Section 226.18 of Regulation Z, provided that all of the requirements and limitations set forth in subdivision (a) of this section are satisfied. Nothing in this chapter

prohibits the disclosure in that contract of additional information required or permitted under Regulation Z, as in effect at the time that disclosure is made.

(n) If the seller imposes a fee for document preparation, the contract shall contain a disclosure that the fee is not a governmental fee.

(o) No seller may impose an application fee for a transaction governed by this chapter.

(p) The seller or holder may charge and collect a fee not to exceed fifteen dollars (\$15) for the return by a depository institution of a dishonored check, negotiated order of withdrawal, or share draft issued in connection with the contract, if the contract so provides or if the contract contains a generalized statement that the buyer may be liable for collection costs incurred in connection with the contract.

(q) The contract shall disclose on its face, by printing the word "new" or "used" within a box outlined in red, that is not smaller than one-half inch high and one-half inch wide, whether the vehicle is sold as a new vehicle, as defined in Section 430 of the Vehicle Code, or a used vehicle, as defined in Section 665 of the Vehicle Code.

(r) The contract shall contain a notice with a heading in at least 12-point boldface type and the text in at least 10-point boldface type, circumscribed by a line, immediately above the contract signature line, that reads as follows:

THERE IS NO COOLING OFF PERIOD

California law does not provide for a "cooling off" or other cancellation period for vehicle sales. Therefore, you cannot later cancel this contract simply because you change your mind, decide the vehicle costs too much, or wish you had acquired a different vehicle. After you sign below, you may only cancel this contract with the agreement of the seller or for legal cause, such as fraud.

SEC. 15. Section 2984.3 of the Civil Code is amended to read:

2984.3. Any acknowledgment by the buyer of delivery of a copy of a conditional sale contract or purchase order and any vehicle purchase proposal and any credit statement that the seller has required or requested the buyer to sign, and that he or she has signed, during the contract negotiations, shall be printed or written in size equal to at least 10-point boldface type and, if contained in the contract, shall appear directly above the space reserved for the buyer's signature or adjacent to any other notices required by law to be placed immediately above the signature space. The buyer's written acknowledgment, conforming to the requirements of this

section, of delivery of a completely filled-in copy of the contract, and a copy of the other documents shall be a rebuttable presumption of delivery in any action or proceeding by or against a third party without knowledge to the contrary when he or she acquired his or her interest in the contract. If the third party furnishes the buyer a copy of the documents, or a notice containing the disclosures identified in subdivision (a) of Section 2982, and stating that the buyer shall notify the third party in writing within 30 days if a copy of the documents was not furnished, and that notification is not given, it shall be conclusively presumed in favor of the third party that copies of the documents were furnished as required by this chapter.

SEC. 16. Section 2986.2 of the Civil Code is amended to read:

2986.2. Every lease contract shall contain, in at least eight-point boldface type, above the space provided for the lessee's signature and circumscribed by a line, the following warnings which shall be signed or initialed by the lessee:

(a) "Notice to the lessee: (1) Do not sign this agreement before you read it or if it contains any blank spaces to be filled in; (2) You are entitled to a completely filled in copy of this agreement; (3) If you default in the performance of your obligations under this agreement, the vehicle may be repossessed and you may be subject to suit and liability for the unpaid indebtedness evidenced by this agreement."

"s/s _____."

lessee

(b) "Warning—Unless a charge is included in this agreement for public liability or property damage insurance, payment for that coverage is not provided by this agreement."

"s/s _____."

lessee

(c) "Lessee has the right to return the vehicle, and receive a refund of any payments made if the credit application is not approved, unless nonapproval results from an incomplete application or from incorrect information provided by the lessee."

"s/s _____."

lessee

(d) "California law does not provide for a "cooling off" or other cancellation period for vehicle leases. Therefore, you cannot later cancel this lease simply because you change your mind, decide the vehicle costs too much, or wish you had acquired a different vehicle. You may cancel this lease only with the agreement of the lessor or for legal cause, such as fraud."

"s/s _____."

lessee

SEC. 17. Section 3482.6 of the Civil Code is amended to read:

3482.6. (a) No agricultural processing activity, operation, facility, or appurtenances thereof, conducted or maintained for commercial purposes, and in a manner consistent with proper and accepted customs and standards, shall be or become a nuisance, private or public, due to any changed condition in or about the locality, after the same has been in continuous operation for more than three years if it was not a nuisance at the time it begins.

(b) If an agricultural processing activity, operation, facility, or appurtenances thereof substantially increases its activities or operations after January 1, 1993, then a public or private nuisance action may be brought with respect to those increases in activities or operations that have a significant effect on the environment. For increases in activities or operations that have been in effect more than three years, there shall be a rebuttable presumption affecting the burden of producing evidence that the increase was not substantial.

(c) This section shall not supersede any other provision of law, except other provisions of this part, if the agricultural processing activity, operation, facility, or appurtenances thereof, constitute a nuisance, public or private, as specifically defined or described in the provision.

(d) This section shall prevail over any contrary provision of any ordinance or regulation of any city, county, city and county, or other political subdivision of the state, except regulations adopted pursuant to Section 41700 of the Health and Safety Code as applied to agricultural processing activities, operations, facilities, or appurtenances thereof that are surrounded by housing or commercial development on the effective date of this section. However, nothing in this section shall preclude a city, county, city and county, or other political subdivision of this state, acting within its constitutional or statutory authority and not in conflict with other provisions of state law, from adopting an ordinance that allows notification to a prospective homeowner that the dwelling is in close proximity to an agricultural processing activity, operation, facility, or appurtenances thereof and is subject to provisions of this section consistent with Section 1102.6a.

(e) For purposes of this section:

(1) "Agricultural processing activity, operation, facility, or appurtenances thereof" includes, but is not limited to, the canning or freezing of agricultural products, the processing of dairy products, the production and bottling of beer and wine, the processing of meat and egg products, the drying of fruits and grains, the packing and cooling of fruits and vegetables, and the storage or warehousing of any agricultural products, and includes processing for wholesale or retail markets of agricultural products.

(2) "Continuous operation" means at least 30 days of agricultural processing operations per year.

(3) "Proper and accepted customs and standards" means the

compliance with all applicable state and federal statutes and regulations governing the operation of the agricultural processing activity, operation, facility, or appurtenances thereof with respect to the condition or effect alleged to be a nuisance.

(f) This section shall not apply to any litigation pending or cause of action accruing prior to January 1, 1993.

SEC. 18. Section 4722.5 of the Civil Code is repealed.

SEC. 19. Section 383 of the Code of Civil Procedure is amended and renumbered to read:

384. (a) It is the intent of the Legislature in enacting this section to ensure that the unpaid residuals in class action litigation are distributed, to the extent possible, in a manner designed either to further the purposes of the underlying causes of action, or to promote justice for all Californians. The Legislature finds that the use of funds collected by the State Bar pursuant to this section for these purposes is in the public interest, is a proper use of the funds, and is consistent with essential public and governmental purposes.

(b) Prior to the entry of any judgment in a class action established pursuant to Section 382, the court shall determine the total amount that will be payable to all class members, if all class members are paid the amount to which they are entitled pursuant to the judgment. The court shall also set a date when the parties shall report to the court the total amount that was actually paid to the class members. After the report is received, the court shall amend the judgment to direct the defendant to pay the sum of the unpaid residue, plus interest on that sum at the legal rate of interest from the date of entry of the initial judgment, in any manner the court determines is consistent with the objectives and purposes of the underlying cause of action, including to child advocacy programs and to the California Legal Corps, as established pursuant to Section 6034 of the Business and Professions Code. The court shall ensure that notice is given to the State Bar of California of any such order.

(c) Nothing in this section shall create an obligation or pledge of the credit of the State Bar of California. Neither the State Bar nor its officers and employees are liable for damage or injury arising out of any act or omission in the implementation or administration of this section.

SEC. 20. Section 405.21 of the Code of Civil Procedure is amended to read:

405.21. An attorney of record in an action may sign a notice of pendency of action. Alternatively, a judge of the court in which an action that includes a real property claim is pending may, upon request of a party thereto, approve a notice of pendency of action. A notice of pendency of action shall not be recorded unless (a) it has been signed by the attorney of record, (b) it is signed by a party acting in propria persona and approved by a judge as provided in this section, or (c) the action is subject to Section 405.6.

SEC. 21. The heading of Article 3 (commencing with Section 405.30) of Chapter 2 of Title 4.5 of Part 2 of the Code of Civil

Procedure is amended and renumbered to read:

CHAPTER 3. EXPUNGEMENT AND OTHER RELIEF

SEC. 22. The heading of Article 4 (commencing with Section 405.50) of Chapter 2 of Title 4.5 of Part 2 of the Code of Civil Procedure is amended and renumbered to read:

CHAPTER 4. WITHDRAWAL

SEC. 23. The heading of Article 5 (commencing with Section 405.60) of Chapter 2 of Title 4.5 of Part 2 of the Code of Civil Procedure is amended and renumbered to read:

CHAPTER 5. EFFECT OF WITHDRAWAL OR EXPUNGEMENT OF NOTICE

SEC. 24. Section 472b of the Code of Civil Procedure is amended to read:

472b. When a demurrer to any pleading is sustained or overruled, and time to amend or answer is given, the time so given runs from the service of notice of the decision or order, unless that notice is waived in open court and the waiver is entered in the minutes or docket.

SEC. 25. Section 695.220 of the Code of Civil Procedure is amended to read:

695.220. (a) Money received in satisfaction of a money judgment, except a money judgment for child support, is to be credited as follows:

(1) The money is first to be credited against the amounts described in subdivision (b) of Section 685.050 that are collected by the levying officer.

(2) Any remaining money is next to be credited against any fee due the court pursuant to Section 6103.5 or 68511.3 of the Government Code, which money is to be remitted to the court by the levying officer.

(3) Any remaining money is next to be credited against the accrued interest that remains unsatisfied.

(4) Any remaining money is to be credited against the principal amount of the judgment remaining unsatisfied. If the judgment is payable in installments, the remaining money is to be credited against the matured installments in the order in which they matured.

(b) Satisfaction of a money judgment for child support is to be credited as follows:

(1) The money is first to be credited against the current month's support.

(2) Any remaining money is next to be credited against the accrued interest that remains unsatisfied.

(3) Any remaining money is to be credited against the principal

amount of the judgment remaining unsatisfied.

(4) Notwithstanding the above, a collection received as a result of a tax refund offset is first to be credited against past due support assigned to the state prior to satisfaction pursuant to paragraphs (1), (2), and (3).

SEC. 26. Title 1 (commencing with Section 1823) of Part 3.5 of the Code of Civil Procedure is repealed.

SEC. 27. Section 1981 of the Education Code is amended to read:

1981. The county board of education may enroll in community schools any of the following:

(a) Pupils who have been expelled from a school district, except those pupils who are expelled pursuant to subdivision (a) of Section 48915 under one or both of the following circumstances:

(1) While attending continuation classes, opportunity classes, or alternative classes.

(2) On one or more of the grounds set forth in subdivisions (a) to (e), inclusive, of Section 48900.

(b) Pupils who have been referred to county community schools by a school district as a result of the recommendation by a school attendance review board or pupils whose school districts of attendance have, at the request of the pupil's parent or guardian, approved the pupil's enrollment in a county community school.

(c) Pupils who are probation-referred pursuant to Sections 300, 601, 602, and 654 of the Welfare and Institutions Code, pupils who are on probation or parole and who are not in attendance in any school, or pupils who are expelled pursuant to subdivision (a) or (b) of Section 48915.

(d) Homeless children.

SEC. 28. Section 41305 of the Education Code is amended to read:

41305. The amounts provided under Section 41304 for any fiscal year shall be limited to the amounts appropriated in the annual Budget Act for the purposes of that section, and shall not exceed an amount equal to the sum of the moneys credited to the Driver Training Penalty Assessment Fund in the State Treasury during the preceding fiscal year and the amount by which the deposits in the Driver Training Penalty Assessment Fund on or after September 15, 1961, have exceeded the amounts required to reimburse the General Fund on account of transfers made after that date.

SEC. 29. Section 42238 of the Education Code is amended to read:

42238. (a) For the 1984-85 fiscal year and each fiscal year thereafter, the county superintendent of schools shall determine a revenue limit for each school district in the county pursuant to this section.

(b) The base revenue limit for the current fiscal year shall be determined by adding to the base revenue limit for the prior fiscal year the following amounts:

(1) The inflation adjustment specified in Section 42238.1.

(2) For the 1985-86 and 1986-87 fiscal years only, the equalization adjustment specified in Section 42238.4.

(3) For the 1985–86 fiscal year, the amount received per unit of average daily attendance in the 1984–85 fiscal year pursuant to Section 42238.7.

(4) For the 1985–86, 1986–87, and 1987–88 fiscal years, the amount per unit of average daily attendance received in the prior fiscal year pursuant to Section 42238.8.

(c) Except for districts subject to subdivision (d), the base revenue limit computed pursuant to subdivision (b) shall be multiplied by the district average daily attendance computed pursuant to Section 42238.5.

(d) For districts for which the number of units of average daily attendance determined pursuant to Section 42238.5 is greater for the current fiscal year than for the 1982–83 fiscal year, compute the following amount, in lieu of the amount computed pursuant to subdivision (c):

(1) Multiply the base revenue limit computed pursuant to subdivision (c) by the average daily attendance computed pursuant to Section 42238.5 for the 1982–83 fiscal year.

(2) Multiply the lesser of the amount in subdivision (c) or 1.05 times the statewide average base revenue limit per unit of average daily attendance for districts of similar type for the current fiscal year by the difference between the average daily attendance computed pursuant to Section 42238.5 for the current and 1982–83 fiscal years.

(3) Add the amounts in paragraphs (1) and (2).

(e) The base revenue limit per unit of average daily attendance shall be the lesser of the following amounts:

(1) The amount determined in subdivision (b).

(2) The amount computed pursuant to Section 42238 for the prior fiscal year divided by the prior fiscal year revenue limit average daily attendance times the sum of 1.0 and twice the percentage increase in revenue limits computed pursuant to Section 42238.1 for the current fiscal year.

(f) For districts electing to compute units of average daily attendance pursuant to paragraph (3) of subdivision (a) of Section 42238.5, the amount computed pursuant to Article 4 (commencing with Section 42280) shall be added to the amount computed in subdivision (c) or (d), as appropriate.

(g) For the 1984–85 fiscal year only, the county superintendent shall reduce the total revenue limit computed in this section by the amount of the decreased employer contributions to the Public Employees' Retirement System resulting from enactment of Chapter 330 of the Statutes of 1982, offset by any increase in those contributions, as of the 1983–84 fiscal year, resulting from subsequent changes in employer contribution rates.

The reduction shall be calculated as follows:

(1) Determine the amount of employer contributions that would have been made in the 1983–84 fiscal year if the applicable Public Employees' Retirement System employer contribution rate in effect immediately prior to the enactment of Chapter 330 of the Statutes

of 1982 were in effect during the 1983–84 fiscal year.

(2) Subtract from the amount determined in paragraph (1) the greater of subparagraph (A) or (B):

(A) The amount of employer contributions that would have been made in the 1983–84 fiscal year if the applicable Public Employees' Retirement System employer contribution rate in effect immediately after the enactment of Chapter 330 of the Statutes of 1982 were in effect during the 1983–84 fiscal year.

(B) The actual amount of employer contributions made to the Public Employees' Retirement System in the 1983–84 fiscal year.

(3) For purposes of this subdivision, employer contributions to the Public Employees' Retirement System for any of the following shall be excluded from the calculation specified above:

(A) Positions supported totally by federal funds that were subject to supplanting restrictions.

(B) Positions supported by funds received pursuant to Section 42243.6.

(C) Positions supported, to the extent of employer contributions not exceeding twenty-five thousand dollars (\$25,000) by any single educational agency, from a revenue source determined on the basis of equity to be properly excludable from the provisions of this subdivision by the Superintendent of Public Instruction with the approval of the Director of Finance.

(4) For accounting purposes, the reduction made by this subdivision may be reflected as an expenditure from appropriate sources of revenue as directed by the Superintendent of Public Instruction.

(h) The Superintendent of Public Instruction shall apportion to each school district the amount determined in this section less the sum of:

(1) The district's property tax revenue received pursuant to Chapter 3 (commencing with Section 75) and Chapter 6 (commencing with Section 95) of Part 0.5 of the Revenue and Taxation Code.

(2) The amount, if any, received pursuant to Part 18.5 (commencing with Section 38101) of the Revenue and Taxation Code.

(3) The amount, if any, received pursuant to Chapter 3 (commencing with Section 16140) of the Government Code.

(4) Prior years taxes and taxes on the unsecured roll.

(5) Fifty percent of the amount received pursuant to Section 41603.

(6) The amount, if any, received pursuant to any provision of the Community Redevelopment Law (Part 1 (commencing with Section 33000) of Division 24 of the Health and Safety Code), except for any amount received pursuant to Section 33401 or 33676 of the Health and Safety Code that is used for land acquisition, facility construction, reconstruction, or remodeling, or deferred maintenance, except for any amount received pursuant to Section

33492.15, 33607.5, or 33607.7 of the Health and Safety Code that is allocated exclusively for educational facilities.

(i) This section shall become operative July 1, 1984.

SEC. 30. Section 44277 of the Education Code is amended to read:

44277. The Legislature recognizes that effective professional growth must continue to occur throughout the careers of all teachers, in order that teachers remain informed of changes in pedagogy, subject matter, and pupil needs. In enacting this section, it is the intent of the Legislature to establish professional growth requirements that give individual teachers a wide range of options to pursue as well as significant roles in determining the course of their professional growth.

(a) The minimum requirements for maintaining the validity of the clear multiple or single subject teaching credential pursuant to Section 44251 shall be both of the following:

(1) Successful service as a classroom teacher or successful service authorized by a services credential. The minimum length of service shall be equivalent to one-half of a school year.

(2) Completion of an individual program of professional growth as prescribed in this section and by the commission.

(b) An individual program of professional growth shall consist of a minimum of 150 clock hours of participation in activities that contribute to competence, performance, or effectiveness in the profession of education. Acceptable activities shall be defined by the commission to include, among other acceptable activities, the completion of courses offered by regionally accredited colleges and universities; participation in professional conferences, workshops, teacher center programs, or staff development programs; service as a mentor teacher pursuant to Section 44496; participation in school curriculum development projects; participation in systematic programs of observation and analysis of teaching; service in a leadership role in a professional organization; and participation in educational research or innovation efforts. Employing agencies and employees' bargaining agents may negotiate to agree on the terms of programs of professional growth within their jurisdictions, provided that the agreements shall be consistent with this section.

(c) An individual program of professional growth shall be developed and planned by the holder of a clear teaching credential.

(d) Effective January 1, 1991, an individual program of professional growth may include a basic course in cardiopulmonary resuscitation, which includes training in the subdiaphragmatic abdominal thrust (also known as the "Heimlich maneuver") and meets or exceeds the standards established by the American Heart Association or the American Red Cross for courses in that subject. A teacher's participation in this training option shall count towards the minimum 150 clock hours required to satisfy the professional growth requirements.

(e) Before a holder of a clear teaching credential commences or amends an individual program of professional growth, a school

principal, a mentor teacher provided for in Section 44496, or other district designee shall certify to the credentialholder that the planned program or amendment complies with this section and with regulations of the commission.

(f) A clear teaching credential shall be deemed to remain valid so long as the holder of the credential, at five-year intervals, submits to the commission verification by a school principal, a mentor teacher, or other district designee that the holder has satisfied the minimum requirements specified in subdivision (a). In the absence of adequate verification, the commission shall invalidate the credential. Verification by a school principal, a mentor teacher, or other district designee shall be independent of any evaluation of the performance of the holder of the clear teaching credential that is conducted for the purpose of determining the credentialholder's employment status. The arbitrary refusal of a school principal, a mentor teacher, or other district designee to verify completion of an individual program of professional growth meeting the requirements of this section and commission regulations shall constitute grounds for an appeal as prescribed in Section 44278.

SEC. 31. Section 48911 of the Education Code is amended to read:

48911. (a) The principal of the school, the principal's designee, or the superintendent of schools may suspend a pupil from the school for any of the reasons enumerated in Section 48900, and pursuant to Section 48900.5, for no more than five consecutive schooldays.

(b) Suspension by the principal, the principal's designee, or the superintendent of schools shall be preceded by an informal conference conducted by the principal or the principal's designee or the superintendent of schools between the pupil and, whenever practicable, the teacher, supervisor, or school employee who referred the pupil to the principal, the principal's designee, or the superintendent of schools. At the conference, the pupil shall be informed of the reason for the disciplinary action and the evidence against him or her and shall be given the opportunity to present his or her version and evidence in his or her defense.

(c) A principal, the principal's designee, or the superintendent of schools may suspend a pupil without affording the pupil an opportunity for a conference only if the principal, the principal's designee, or the superintendent of schools determines that an emergency situation exists. "Emergency situation," as used in this article, means a situation determined by the principal, the principal's designee, or the superintendent of schools to constitute a clear and present danger to the life, safety, or health of pupils or school personnel. If a pupil is suspended without a conference prior to suspension, both the parent and the pupil shall be notified of the pupil's right to a conference and the pupil's right to return to school for the purpose of a conference. The conference shall be held within two schooldays, unless the pupil waives this right or is physically unable to attend for any reason, including, but not limited to, incarceration or hospitalization. The conference shall then be held

as soon as the pupil is physically able to return to school for the conference.

(d) At the time of suspension, a school employee shall make a reasonable effort to contact the pupil's parent or guardian in person or by telephone. Whenever a pupil is suspended from school, the parent or guardian shall be notified in writing of the suspension.

(e) A school employee shall report the suspension of the pupil, including the cause therefor, to the governing board of the school district or to the school district superintendent in accordance with the regulations of the governing board.

(f) The parent or guardian of any pupil shall respond without delay to any request from school officials to attend a conference regarding his or her child's behavior.

No penalties may be imposed on a pupil for failure of the pupil's parent or guardian to attend a conference with school officials. Reinstatement of the suspended pupil shall not be contingent upon attendance by the pupil's parent or guardian at the conference.

(g) In a case where expulsion from any school or suspension for the balance of the semester from continuation school is being processed by the governing board, the school district superintendent or other person designated by the superintendent in writing may extend the suspension until the governing board has rendered a decision in the action. However, an extension may be granted only if the school district superintendent or the superintendent's designee has determined, following a meeting in which the pupil and the pupil's parent or guardian are invited to participate, that the presence of the pupil at the school or in an alternative school placement would cause a danger to persons or property or a threat of disrupting the instructional process. If the pupil or the pupil's parent or guardian has requested a meeting to challenge the original suspension pursuant to Section 48914, the purpose of the meeting shall be to decide upon the extension of the suspension order under this section and may be held in conjunction with the initial meeting on the merits of the suspension.

(h) Notwithstanding subdivisions (a) and (g), an individual with exceptional needs may be suspended for up to, but not more than, 10 consecutive schooldays if he or she poses an immediate threat to the safety of himself or herself or others. In the case of a truly dangerous child, a suspension may exceed 10 consecutive schooldays, or the pupil's placement may be changed, or both, if either of the following occurs:

- (1) The pupil's parent or guardian agrees.
- (2) A court order so provides.

(i) For the purposes of this section, a "principal's designee" is any one or more administrators at the schoolsite specifically designated by the principal, in writing, to assist with disciplinary procedures.

In the event that there is not an administrator in addition to the principal at the schoolsite, a certificated person at the schoolsite may be specifically designated by the principal, in writing, as a

“principal’s designee,” to assist with disciplinary procedures. The principal may designate only one such person at a time as the principal’s primary designee for the school year.

An additional person meeting the requirements of this subdivision may be designated by the principal, in writing, to act for the purposes of this article when both the principal and the principal’s primary designee are absent from the schoolsite. The name of the person, and the names of any person or persons designated as “principal’s designee,” shall be on file in the principal’s office.

This section is not an exception to, nor does it place any limitation on, Section 48903.

SEC. 32. Section 48918 of the Education Code is amended to read: 48918. The governing board of each school district shall establish rules and regulations governing procedures for the expulsion of pupils. These procedures shall include, but are not necessarily limited to, all of the following:

(a) The pupil shall be entitled to a hearing to determine whether the pupil should be expelled. An expulsion hearing shall be held within 30 schooldays after the date the principal or the superintendent of schools determines that the pupil has committed any of the acts enumerated in Section 48900, unless the pupil requests, in writing, that the hearing be postponed. The adopted rules and regulations shall specify that the pupil is entitled to at least one postponement of an expulsion hearing, for a period of not more than 30 calendar days. Any additional postponement may be granted at the discretion of the governing board.

The decision of the governing board as to whether to expel a pupil shall be made within 10 schooldays after the conclusion of the hearing, unless the pupil requests in writing that the decision be postponed. If the hearing is held by a hearing officer or an administrative panel, or if the district governing board does not meet on a weekly basis, the governing board shall make its decision about a pupil’s expulsion within 40 schooldays after the date of the pupil’s removal from his or her school of attendance for the incident for which the recommendation for expulsion is made by the principal or the superintendent, unless the pupil requests in writing that the decision be postponed.

In the event that compliance by the governing board with the time requirements for the conducting of an expulsion hearing under this subdivision is impracticable, the superintendent of schools or the superintendent’s designee may, for good cause, extend the time period for the holding of the expulsion hearing for an additional five schooldays. Reasons for the extension of the time for the hearing shall be included as a part of the record at the time the expulsion hearing is conducted. Upon the commencement of the hearing, all matters shall be pursued and conducted with reasonable diligence and shall be concluded without any unnecessary delay.

(b) Written notice of the hearing shall be forwarded to the pupil at least 10 calendar days prior to the date of the hearing. The notice

shall include: the date and place of the hearing; a statement of the specific facts and charges upon which the proposed expulsion is based; a copy of the disciplinary rules of the district that relate to the alleged violation; a notice of the parent, guardian, or pupil's obligation pursuant to subdivision (b) of Section 48915.1; and notice of the opportunity for the pupil or the pupil's parent or guardian to appear in person or employ and be represented by counsel, to inspect and obtain copies of all documents to be used at the hearing, to confront and question all witnesses who testify at the hearing, to question all other evidence presented, and to present oral and documentary evidence on the pupil's behalf, including witnesses.

(c) Notwithstanding Section 54593 of the Government Code and Section 35145 of this code, the governing board shall conduct a hearing to consider the expulsion of a pupil in a session closed to the public, unless the pupil requests, in writing, at least five days prior to the date of the hearing, that the hearing be conducted at a public meeting. Regardless of whether the expulsion hearing is conducted in a closed or public session, the governing board may meet in closed session for the purpose of deliberating and determining whether the pupil should be expelled.

If the governing board or the hearing officer or administrative panel appointed under subdivision (d) to conduct the hearing admits any other person to a closed deliberation session, the parent or guardian of the pupil, the pupil, and the counsel of the pupil also shall be allowed to attend the closed deliberations.

(d) In lieu of conducting an expulsion hearing itself, the governing board may contract with the county hearing officer, or with the Office of Administrative Hearings of the State of California pursuant to Chapter 14 (commencing with Section 27720) of Part 3 of Division 2 of Title 3 of the Government Code and Section 35207 of this code, for a hearing officer to conduct the hearing. The governing board also may appoint an impartial administrative panel of three or more certificated persons, none of whom are members of the board or employed on the staff of the school in which the pupil is enrolled. The hearing shall be conducted in accordance with all of the procedures established under this section.

(e) Within three schooldays after the hearing, the hearing officer or administrative panel shall determine whether to recommend the expulsion of the pupil to the governing board. If the hearing officer or administrative panel decides not to recommend expulsion, the expulsion proceedings shall be terminated and the pupil immediately shall be reinstated and permitted to return to a classroom instructional program, any other instructional program, a rehabilitation program, or any combination of these programs. Placement in one or more of these programs shall be made by the superintendent of schools or the superintendent's designee after consultation with school district personnel, including the pupil's teachers, and the pupil's parent or guardian. The decision not to recommend expulsion shall be final.

(f) If the hearing officer or administrative panel recommends expulsion, findings of fact in support of the recommendation shall be prepared and submitted to the governing board. All findings of fact and recommendations shall be based solely on the evidence adduced at the hearing. If the governing board accepts the recommendation calling for expulsion, acceptance shall be based either upon a review of the findings of fact and recommendations submitted by the hearing officer or panel or upon the results of any supplementary hearing conducted pursuant to this section that the governing board may order.

The decision of the governing board to expel a pupil shall be based upon substantial evidence relevant to the charges adduced at the expulsion hearing or hearings. Except as provided in this section, no evidence to expel shall be based solely upon hearsay evidence. The governing board or the hearing officer or administrative panel may, upon a finding that good cause exists, determine that the disclosure of the identity of a witness and the testimony of that witness at the hearing would subject the witness to an unreasonable risk of harm. Upon this determination, the testimony of the witness may be presented at the hearing in the form of sworn declarations which shall be examined only by the governing board or the hearing officer or administrative panel. Copies of these sworn declarations, edited to delete the name and identity of the witness, shall be made available to the pupil.

(g) A record of the hearing shall be made. The record may be maintained by any means, including electronic recording, so long as a reasonably accurate and complete written transcription of the proceedings can be made.

(h) Technical rules of evidence shall not apply to the hearing, except that relevant evidence may be admitted and given probative effect only if it is the kind of evidence upon which reasonable persons are accustomed to rely in the conduct of serious affairs. A decision of the governing board to expel shall be supported by substantial evidence showing that the pupil committed any of the acts enumerated in Section 48900.

(i) Whether an expulsion hearing is conducted by the governing board or before a hearing officer or administrative panel, final action to expel a pupil shall be taken only by the governing board in a public session. Written notice of any decision to expel or to suspend the enforcement of an expulsion order during a period of probation shall be sent by the superintendent of schools or his or her designee to the pupil or the pupil's parent or guardian, and shall be accompanied by notice of the right to appeal the expulsion to the county board of education and of the obligation of the parent, guardian, or pupil under subdivision (b) of Section 48915.1, upon the pupil's enrollment in a new school district, to inform that district of the expulsion.

(j) The governing board shall maintain a record of each expulsion, including the cause therefor. Records of expulsions shall be a nonprivileged, disclosable public record.

The expulsion order and the causes therefor shall be recorded in the pupil's mandatory interim record and shall be forwarded to any school in which the pupil subsequently enrolls upon receipt of a request from the admitting school for the pupil's school records.

SEC. 33. Section 56034 of the Education Code is amended to read:

56034. "Nonpublic, nonsectarian school" means a private, nonsectarian school that enrolls individuals with exceptional needs pursuant to an individualized education program, employs at least one full-time teacher who holds an appropriate credential authorizing special education services, and is certified by the department. It does not include an organization or agency that operates as a public agency or offers public service, including, but not limited to, a state or local agency, an affiliate of a state or local agency, including a private, nonprofit corporation established or operated by a state or local agency, or a public university or college. A nonpublic, nonsectarian school also shall meet standards as prescribed by the superintendent and board.

SEC. 34. Section 56155.5 of the Education Code is amended to read:

56155.5. (a) As used in this article, "licensed children's institution" means a residential facility which is licensed by the state, or other public agency having delegated authority by contract with the state to license, to provide nonmedical care to children, including, but not limited to, individuals with exceptional needs. "Licensed children's institution" includes a group home as defined by subdivision (a) of Section 80001 of Title 22 of the California Code of Regulations. As used in this article and Article 8.5 (commencing with Section 56775), a "licensed children's institution" does not include any of the following:

(1) A juvenile court school, juvenile hall, juvenile home, day center, juvenile ranch, or juvenile camp administered pursuant to Article 2 (commencing with Section 48645) of Chapter 4 of Part 27.

(2) A county community school program provided pursuant to Section 1981.

(3) Any special education programs provided pursuant to Section 56150.

(4) Any other public agency.

(b) As used in this article, "foster family home" means a family residence that is licensed by the state, or other public agency having delegated authority by contract with the state to license, to provide 24-hour nonmedical care and supervision for not more than six foster children, including, but not limited to, individuals with exceptional needs. "Foster family home" includes a small family home as defined in paragraph (6) of subdivision (a) of Section 1502 of the Health and Safety Code.

SEC. 35. Section 56366.1 of the Education Code is amended to read:

56366.1. (a) A nonpublic, nonsectarian school or agency that seeks certification shall file an application with the superintendent

on forms provided by the department and include the following information on the application:

(1) A description of the special education and designated instruction and services provided to individuals with exceptional needs if the application is for nonpublic, nonsectarian school certification.

(2) A description of the designated instruction and services provided to individuals with exceptional needs if the application is for nonpublic, nonsectarian agency certification.

(3) A list of appropriately qualified staff, a description of the credential, license, or registration that qualifies each staff member to render special education or designated instruction and services, and copies of their credentials, licenses, or certificates of registration with the appropriate state or national organization that has established standards for the service rendered.

(4) An annual operating budget.

(5) Affidavits and assurances necessary to comply with all applicable federal, state, and local laws and regulations which include criminal record summaries required of all nonpublic school or agency personnel having contact with minor children under Section 44237.

(b) Unless the board grants a waiver pursuant to Section 56101, a nonpublic, nonsectarian school or agency shall file an application for certification between January 1 and March 1.

(c) If the applicant operates a facility or program on more than one site, each site shall be certified.

(d) If the applicant is part of a larger program or facility on the same site, the superintendent shall consider the effect of the total program on the applicant. A copy of the policies and standards for the nonpublic, nonsectarian school or agency and the larger program shall be available to the superintendent.

(e) Prior to certification, the superintendent shall conduct an onsite review of the facility and program for which the applicant seeks certification. The superintendent may be assisted by representatives of the special education local plan area in which the applicant is located and a nonpublic, nonsectarian school or agency representative who does not have a conflict of interest with the applicant. The superintendent shall conduct an additional onsite review of the facility and program within five years after the certification effective date unless the superintendent conditionally certifies the school or agency or unless the superintendent receives a formal complaint against the school or agency. In the latter two cases, the superintendent shall conduct an onsite review at least annually.

(f) Within 120 days after receipt of the application, the superintendent shall certify, conditionally certify, or deny certification to the applicant. If the superintendent fails to take one of these actions within 120 days, the applicant is automatically granted conditional certification for a period terminating on August

31 of the current school year. If certification is denied, the superintendent shall provide reasons for the denial. The superintendent may certify the school or agency for a period of not longer than five years.

(g) Certification becomes effective on the date the nonpublic, nonsectarian school or agency meets all the application requirements and is approved by the superintendent. Certification may be retroactive if the school or agency met all the requirements of this section on the date the retroactive certification is effective. Certification expires on August 31 of the terminating year.

(h) The superintendent shall annually review the certification of each nonpublic, nonsectarian school and agency. For this purpose, a certified school or agency shall annually update its application between August 1 and October 31, unless the board grants a waiver pursuant to Section 56101. The superintendent may conduct an onsite review as part of the annual review.

(i) The superintendent may monitor a nonpublic, nonsectarian school or agency onsite at any time without prior notice when there is substantial reason to believe that there is an immediate danger to the health, safety, or welfare of a child. The superintendent shall document the concern and submit it to the nonpublic, nonsectarian school or agency at the time of the onsite monitoring. The superintendent shall require a written response to any noncompliance or deficiency found.

(j) (1) Notwithstanding any other provision of law, the superintendent may not certify a nonpublic, nonsectarian school or agency that proposes to initiate or expand services to pupils who are currently educated, or were educated in the immediate prior fiscal year, in a juvenile court program, community school pursuant to Section 56150, or other nonspecial education program, including independent study or adult school, or both, unless the nonpublic, nonsectarian school or agency notifies the county superintendent of schools and the special education local plan area in which the proposed new or expanded nonpublic, nonsectarian school or agency is located of its intent to seek certification. The notification shall occur no later than the last day of the second school year prior to the date on which the proposed or expanding school or agency intends to initiate services. The notice shall include all of the following:

(A) The date upon which the proposed nonpublic, nonsectarian school or agency is to be established.

(B) The location of the proposed program or facility.

(C) The number of pupils proposed for services, the number of pupils currently served in the juvenile court, community school, or other nonspecial education program, the current school services, including special education and related services, provided for these pupils, and the specific program of special education and related services to be provided under the proposed program.

(D) The reason for the proposed change in services.

(2) In addition to the requirements in subdivisions (a) to (e),

inclusive, the superintendent shall require and consider the following in determining whether to certify a nonpublic, nonsectarian school or agency as described in this subdivision:

(A) A complete statement of the information required as part of the notice under paragraph (1).

(B) Documentation of the steps taken in preparation for the conversion to a nonpublic, nonsectarian school or agency, including information related to changes in the population to be served and the services to be provided pursuant to each pupil's individualized education program.

(3) Before certifying the school or agency, the superintendent shall determine that certification of the new or expanding school or agency program is necessary for the provision of a free appropriate special education program to the affected pupils in the least restrictive environment.

(4) Notwithstanding any other provision of law, the certification becomes effective no earlier than the first day of the second school year beginning after the school or agency provides the notification required pursuant to paragraph (1).

SEC. 36. Section 56775 of the Education Code is amended to read:

56775. (a) For the 1980-81 fiscal year and each fiscal year thereafter, the superintendent shall apportion to each district and county superintendent providing programs pursuant to Article 5 (commencing with Section 56155) of Chapter 2 an amount equal to the difference, if any, between (1) the costs of contracts with nonpublic, nonsectarian schools to provide special education instruction, related services, or both, to pupils in licensed children's institutions, foster family homes, residential medical facilities, and other similar facilities funded under this chapter, and (2) the state and federal income received by the district or county superintendent for providing these programs. The sum of the excess cost, plus any state or federal income for these programs, shall not exceed the cost of contracts with nonpublic, nonsectarian schools to provide special education and related services for these pupils, as determined by the superintendent.

(b) The cost of contracts with nonpublic, nonsectarian schools and agencies that a district or county office of education reports under this section shall not include any of the following costs that a district, county office, or special education local plan area may incur:

(1) Administrative or indirect costs for the local education agency.

(2) Direct support costs for the local education agency.

(3) Transportation costs provided either directly or through a nonpublic, nonsectarian school or agency contract for use of services or equipment owned, leased, or contracted, by a district, special education local plan area, or county office for any pupils enrolled in nonpublic, nonsectarian school or agencies, unless provided directly or subcontracted by that nonpublic, nonsectarian school or agency pursuant to subdivisions (a) and (b) of Section 56366.

(4) Costs for services routinely provided by the district or county office, including the following, unless the board grants a waiver under 56101:

(A) School psychologist services other than those described in Sections 56324 and 56363 and included in a contract and individual services agreement under subdivision (a) of Section 56366.

(B) School nurse services other than those described in Sections 49423.5, 56324, and 56363 and included in a contract and individual services agreement under subdivision (a) of Section 56366.

(C) Language, speech, and hearing services other than those included in a contract and individual services agreement under subdivision (a) of Section 56366.

(D) Modified, specialized, or adapted physical education services other than those included in a contract and individual services agreement under subdivision (a) of Section 56366.

(5) Costs for nonspecial education programs or settings, including those provided for individuals with exceptional needs between the ages of birth and five years, inclusive, pursuant to Sections 56431 and 56441.8.

(6) Costs for nonpublic, nonsectarian school or agency placements outside of the state unless the board has granted a waiver pursuant to subdivisions (e) and (f) of Section 56365.

(7) Costs for related nonpublic, nonsectarian school pupil assessments by a school psychologist or school nurse pursuant to Sections 56320 and 56324.

(8) Costs for services that the nonpublic, nonsectarian school or agency is not certified to provide.

(9) Costs for services provided by personnel who do not meet the requirements specified in subdivision (e) of Section 56366.

(d) A nonpublic, nonsectarian school or agency shall not claim and is not entitled to receive reimbursement for attendance unless the site where the pupil is receiving special education or designated instruction and services is certified.

SEC. 37. Section 60240 of the Education Code is amended to read: 60240. The State Instructional Materials Fund is hereby continued in existence. The fund shall be a means of annually funding the acquisition of instructional materials as required by the Constitution of the State of California. Notwithstanding Section 13340 of the Government Code, all money in the fund is continuously appropriated to the State Department of Education without regard to fiscal years for carrying out the purposes of this part. It is the intent of the Legislature that the fund shall provide for flexibility of instructional materials.

SEC. 38. Section 2552 of the Elections Code is amended to read: 2552. The presidential primary shall be consolidated with the statewide direct primary held in any year evenly divisible by the whole number four.

This section shall become operative on January 1, 1998.

SEC. 39. Section 2601 of the Elections Code is amended to read:

2601. (a) Except as provided in Sections 35443, 36503.5, and 36504 of the Government Code, a general municipal election shall be held on the second Tuesday in April of even-numbered years, or on the first Tuesday after the first Monday in March of odd-numbered years.

(b) A city council may enact an ordinance to move the date of its general municipal election from the second Tuesday in April of even-numbered years to the first Tuesday after the first Monday in March of odd-numbered years.

(c) As the result of the adoption of an ordinance pursuant to this section, no term of office shall be increased or decreased by more than 12 months. As used in this subdivision, "12 months" means the period between the day upon which the term of office otherwise would have commenced and the first Tuesday after the first Monday in March of the odd-numbered year in which the election is held, inclusive.

(d) If an election is held pursuant to subdivision (a) and the election is consolidated with another election, Part 2.5 (commencing with Section 23300) of Division 14, except Section 23302, shall govern the consolidation, and, if the county clerk is requested to conduct the municipal election, Section 22003 shall be applicable to that election.

(e) Within 30 days after the ordinance becomes operative pursuant to subdivision (b), the city clerk shall cause a notice to be mailed to all registered voters informing the voters of the change in the election date. The notice shall also inform the voters that as a result in the change in election date, elected city officeholders' terms in office will be changed.

(f) If a city adopts an ordinance pursuant to subdivision (b), the municipal election following the adoption of the ordinance and each municipal election thereafter shall be conducted on the date specified by the city council, in accordance with subdivision (b), unless the ordinance in question is later repealed by the city council.

(g) If the date of a general municipal election is changed pursuant to this section, at least one election shall be held before the ordinance may be subsequently repealed or amended.

SEC. 40. Section 6005 of the Elections Code is amended to read:

6005. The chairman of the state central committee shall notify the Secretary of State on or before the first day of February immediately preceding the presidential primary as to the number of delegates to represent the state in the next national convention of his or her party.

This section shall become operative on January 1, 1998.

SEC. 41. Section 2110 of the Family Code is amended to read:

2110. In the case of a default judgment, the petitioner may waive the final declaration of disclosure requirements provided in this chapter, but a preliminary declaration of disclosure by the petitioner is required.

SEC. 42. Section 4071.5 is added to the Family Code, to read:

4071.5. For purposes of computing the minimum level of child

support under Section 4070, no hardship shall be deemed to exist and no deduction from income shall be granted if aid payments are being made pursuant to Chapter 2 (commencing with Section 11200) of Part 3 of Division 9 of the Welfare and Institutions Code on behalf of a child or children of the parent seeking the deduction, even if the payments are being received by the other parent.

SEC. 43. Section 857 of the Fish and Game Code is amended to read:

857. (a) Notwithstanding any other provision of law, the status of a person as an employee, agent, or licensee of the department does not confer upon that person a special right or privilege to knowingly enter private land without either the consent of the owner or a search warrant, an inspection warrant.

(b) (1) Subdivision (a) does not apply to employees, agents, or licensees of the department in the event of an emergency. For purposes of this section, "emergency" means a sudden, unexpected occurrence, involving a clear and imminent danger demanding immediate action to prevent or mitigate loss of, or damage to, wildlife, wildlife resources, or wildlife habitat.

(2) Subdivision (a) does not apply to a sworn peace officer authorized pursuant to subdivision (f) of Section 830.2 of the Penal Code or, if necessary for law enforcement purposes, to other departmental personnel accompanying a sworn peace officer. Subdivision (a) shall not be construed to define or alter any authority conferred on those peace officers by any other law or court decision.

(3) Subdivision (a) does not apply to, or interfere with, the authority of employees or licensees to enter and inspect land in conformance with Section 4604 of the Public Resources Code.

This section is not intended to expand or constrain the authority, if any, of employees, agents, or licensees of the department to enter private land to conduct inspections pursuant to Section 7702 of this code or Section 8670.5, 8670.7, or 8670.10 of the Government Code.

(c) If the department conducts a survey or evaluation of private land that results in the preparation of a document or report, the department shall, upon request and without undue delay, provide either a copy of the report or a written explanation of the department's legal authority for denying the request. The department may charge a fee for each copy, not to exceed the direct costs of duplication.

SEC. 44. Section 8051.2 of the Fish and Game Code is amended to read:

8051.2. (a) The landing tax collected pursuant to Section 8051.1 shall be deposited in the Fish and Game Preservation Fund and 50 percent of the revenue deposited shall be used solely for the Sea Urchin Resources Enhancement Program in support of the recommendations of the committee established by subdivision (c) and other sea urchin resource enhancement measures as provided in the annual Budget Act. The remaining 50 percent of the revenue shall be used solely for research and management activities to

monitor and maintain the sea urchin resource. The department shall maintain internal accountability necessary to ensure that all restrictions on the expenditure of Sea Urchin Resources Enhancement Program funds and research and management funds are met.

(b) An amount, not to exceed 15 percent of each of the allocations made pursuant to subdivision (a) from the total annual revenues deposited in the fund pursuant to subdivision (a), may be used by the department for the administration of the Sea Urchin Resources Enhancement Program and the research and management activities, respectively, including any reasonable and necessary expenses.

(c) The Commercial Sea Urchin Advisory Committee in existence on October 14, 1991, which consists of 12 members selected by the director, shall be continued in existence and renamed the Director's Sea Urchin Advisory Committee. One member shall be chosen from the personnel of the department. Ten members shall be selected, with alternates, from nominations submitted by sea urchin fishermen and processors and by associations representing the commercial sea urchin industry of California. Five of the industry members shall be from northern California, two representing divers and three representing processors. At least one of the northern California processor representatives shall reside in a geographical area other than Fort Bragg. Five of the industry members shall be from southern California, three representing divers and two representing processors. All of the California diver representatives shall reside in different geographical areas of the state. The area marine coordinator from the University of California at Davis shall be the other member.

For the money available to the Sea Urchin Resource Enhancement Program, the committee may annually submit to the department proposed projects and a budget for the program. The department, after conducting a public review and discussion, shall incorporate all or part of the proposed projects and budget recommendations in its submittal to the Governor's Budget.

(d) This section shall remain in effect only until January 1, 1997, and as of that date is repealed, unless a later enacted statute, which is enacted before January 1, 1997, deletes or extends that date.

SEC. 45. Section 8598 of the Fish and Game Code is amended to read:

8598. (a) Notwithstanding Section 8140 or subdivision (b) of Section 8597, specimens of the following groups or species shall not be taken or possessed for commercial purposes:

- (1) Invertebrates:
 - (A) Phylum Porifera—all sponges.
 - (B) Genus *Pelagia* sp.—jellyfish.
 - (C) Coelenterata—corals, anemones; all species.
 - (D) Order Gorgonacea—all gorgonians.
 - (E) Order Pennatulacea—all species, except *Renilla kollikeri*.

- (F) Feather-duster worm—*Eudistylia polymorpha*.
- (G) Fiddler crab—*Uca crenulata*.
- (H) Umbrella crab—*Cryptolithodes sitchensis*.
- (I) Stalked or goose barnacles—*Pollicipes* sp.
- (J) Giant acorn barnacle—*Balanus nubilus* or *B. aguila*.
- (K) Owl limpet—*Lottia gigantea*.
- (L) Coffee bean shells—*Trivia* sp.
- (M) Three-winged murex—*Pteropurpura trialata*.
- (N) Vidler's simnia—*Simnia vidleri*.
- (O) Queen tegula—*Tegula regina*.
- (P) Opisthobranchia (including nudibranchs)—all subclass Opisthobranchia species except:
 - (i) Sea hares—*Aplysia californica* and *Aplysia vaccaria*.
 - (ii) *Hermisenda crassicornis*.
 - (iii) Lion's mouth—*Melibe leonina*.
 - (iv) *Aeolidia papillosa*.
 - (v) Spanish shawl—*Flabellina iodinea*.
- (2) Vertebrates:
 - (A) All shark and ray eggcases.
 - (B) Brown smoothhound sharks—*Mustelus hinlei*.
 - (C) Family Agonidae—all poachers.
 - (D) Wolf-eel—*Anarrhichthys ocellatus*.
 - (E) Juvenile sheephead—*Semicossyphus pulcher* (under 6 inches).
- (3) Live rocks.
 - (A) Rocks with living organisms attached, commonly called "live rocks," shall not be taken or possessed except as provided in subparagraph (C).
 - (B) Rocks shall not be broken to take marine aquaria species, and any rock displaced to access any such species shall be returned to its original position.
 - (C) Rocks cultured under the authority of an aquaculture registration may be possessed.
 - (b) Garibaldi—*Hypsypops rubicundus* may not be taken under a marine aquaria collector's permit from February 1 to October 31, inclusive.
 - (c) No organisms may be taken for marine aquaria pet trade purposes under the terms of a marine aquaria collector's permit in any of the following areas:
 - (1) On the north side of Santa Catalina Island from a line extending three nautical miles 90 degrees true from Church Rock to a line extending three nautical miles 270 degrees true from the extreme west end of the island.
 - (2) Until January 1, 2000, on the south or "back" side of Santa Catalina Island from a line extending three nautical miles 90 degrees true from Church Rock to a line extending three nautical miles 270 degrees true from the extreme west end of the island.
 - (3) Marine life refuges, marine reserves, ecological reserves, and state reserves.

SEC. 46. Section 12157 of the Fish and Game Code is amended to read:

12157. (a) Except as provided in subdivision (b), the judge before whom any person is tried for a violation of any provision of this code, or regulation adopted pursuant thereto, may, upon the conviction of the person tried, order the forfeiture of any device or apparatus that is designed to be, or is capable of being, used to take birds, mammals, fish, reptiles, or amphibia and that was used in committing the offense charged.

(b) The judge shall, if the offense is punishable under Section 12008 of this code or subdivision (c) of Section 597 of the Penal Code, order the forfeiture of any device or apparatus that is used in committing the offense, including, but not limited to, any vehicle that is used or intended for use in delivering, importing, or exporting any unlawfully taken, imported, or purchased species.

(c) The judge may, for conviction of a violation of Section 2000 relating to deer, elk, antelope, feral pigs, European wild boars, black bears, and brown or cinnamon bears, order forfeiture of any device or apparatus that is used in committing the offense, including, but not limited to, any vehicle used or intended for use in committing any of those offenses.

In considering an order of forfeiture under this subdivision, the court shall take into consideration the nature, circumstances, extent, and gravity of the prohibited act committed, the degree of culpability of the violator, the property proposed for forfeiture, and other criminal or civil penalties imposed on the violator under other provisions of law for that offense. The court shall impose lesser forfeiture penalties under this subdivision for those acts that have little significant effect upon natural resources or the property of another and greater forfeiture penalties for those acts that may cause serious injury to natural resources or the property of another, as determined by the court.

It is the intent of the Legislature that forfeiture not be ordered pursuant to this subdivision for minor or inadvertent violations of Section 2000, as determined by the court.

(d) Any device or apparatus ordered forfeited shall be sold, used, or destroyed by the department.

(e) The proceeds from all sales under this section, after payment of any valid liens on the forfeited property, shall be paid into the Fish and Game Preservation Fund. A lien in which the lienholder is a conspirator is not a valid lien for purposes of this subdivision.

(f) The provisions in this section authorizing or requiring a judge to order the forfeiture of a device or apparatus also apply to the judge, referee, or traffic hearing officer in a juvenile court action brought under Section 258 of the Welfare and Institutions Code.

(g) For purposes of this section, a plea of nolo contendere or no contest, or forfeiture of bail, constitutes a conviction.

(h) Neither the disposition of the criminal action other than by conviction nor the discretionary refusal of the judge to order

forfeiture upon conviction impairs the right of the department to commence proceedings to order the forfeiture of fish nets or traps pursuant to Section 8630.

SEC. 47. Section 232 of the Food and Agricultural Code is amended to read:

232. The Agriculture Trust Fund is hereby created. The trust fund is not a fund of the State Treasury. Transfers to the trust fund may be deposited in the State Treasury, or in a bank or other depository approved by the Department of Finance. Funds that are so transferred are exempt from Sections 11270 and 11272 of the Government Code and shall be deposited and disbursed only to pay for attorney's fees and other costs incurred in litigation involving the trust fund, expenses generated by the auditing requirement imposed by Section 239, and the costs set forth in Section 240.

SEC. 48. Section 235 of the Food and Agricultural Code is amended to read:

235. Each agricultural program specified in subdivision (b) of Section 230 with funds contained in the Department of Food and Agriculture Fund shall participate in the trust fund unless an entity is designated pursuant to subdivision (a) of Section 227 or Section 6005 or 45021.

SEC. 49. Section 239 of the Food and Agricultural Code is amended and renumbered to read:

238.5. The chairperson of each advisory body shall advise the director on the administration of the trust fund, including, but not limited to, the amount of the fund to be applied to program closures, unanticipated occurrences, and replenishment.

SEC. 50. Section 240 of the Food and Agricultural Code is amended and renumbered to read:

239. All trust fund activities shall be subject to an audit at least once every two years by an auditing firm selected by the director in accordance with Chapter 2 (commencing with Section 10290) of Part 2 of Division 2 of the Public Contract Code. A copy of the audit shall be delivered to the director within 30 days after completion.

SEC. 51. Section 241 of the Food and Agricultural Code, as added by Chapter 872 of the Statutes of 1993, is amended and renumbered to read:

239.5. Any money that is deposited pursuant to Section 232, which the director determines is available for investment, may be invested or reinvested in any of the securities described in Article 1 (commencing with Section 16430) of Chapter 3 of Part 2 of Division 4 of Title 2 of the Government Code.

SEC. 52. Section 242 of the Food and Agricultural Code, as added by Chapter 872 of the Statutes of 1993, is amended and renumbered to read:

240. The moneys in the trust fund shall be disbursed only to pay for costs arising from unanticipated occurrences associated with administering self-funded programs. These costs shall include, but are not limited to: attorney costs related to litigation; workers'

compensation costs; unemployment costs; phaseout costs of existing programs; and temporary funding for programs that are implementing a fee increase. Any program using the moneys from the trust fund shall repay the trust fund based on a schedule approved by the director.

In addition to the costs specified above, the director may impose a charge in the amount necessary to cover the department's costs in administering this article.

SEC. 53. Section 243 of the Food and Agricultural Code, as added by Chapter 872 of the Statutes of 1993, is amended and renumbered to read:

240.5. This article shall be liberally construed. If any provision of this article or the application thereof to any person or circumstance is held invalid, the invalidity shall not affect other provisions or applications of the article that can be given effect without the invalid provision or application, and to this end the provisions of this article are severable.

SEC. 54. Section 4104 of the Food and Agricultural Code is amended to read:

4104. (a) The Legislature hereby finds and declares that there is a need for a state repository dedicated to the diverse contributions of African-Americans to the history and culture of this state and the nation.

(b) The California African-American Museum is a part of, and coexists with, the California Museum of Science and Industry.

(c) The California African-American Museum is governed by a seven-member board of directors. The Governor shall appoint the seven members, at least four of whom shall reside within the boundaries of the 6th Agricultural District. In addition, the Senator representing the Senate district in which the California African-American Museum is located and the Assembly Member representing the Assembly district in which the museum is located shall be ex officio nonvoting members of the board. The two legislative ex officio nonvoting members of the board shall participate in the activities of the board to the extent that their participation is not incompatible with their respective positions as Members of the Legislature. The appointees of the Governor shall be appointed to four-year terms with the initial terms of appointment expiring as follows: one term expiring January 1, 1984, one term expiring January 1, 1985, one term expiring January 1, 1986, and one term expiring January 1, 1987. The person appointed to the Advisory Board of the California Museum of African-American History and Culture by the Board of Directors of the California Museum of Science and Industry prior to the amendments made to this section by Chapter 1439 of the Statutes of 1987 shall serve on the Board of Directors of the California African-American Museum until the Governor makes the fifth appointment authorized pursuant to those amendments. The fifth appointment made to the board shall serve a term expiring on January 1, 1990, the sixth appointment shall serve

a term expiring on January 1, 1991, and the seventh appointment shall serve a term expiring on January 1, 1992.

(d) The Board of Directors of the California African-American Museum shall have the sole authority, subject to existing state laws, regulations, and procedures, to determine how funds that have been appropriated and duly allocated by the Legislature and the Governor for support of the museum shall be expended. The board shall also have the sole authority, subject to existing state laws, regulations, and procedures, to contract with any state agency, institution, independent contractor, or private nonprofit organization that the board determines to be appropriate and qualified to assist in the operation of the museum. The board shall further have authority to establish the operations, programs, activities, and exhibitions of the California African-American Museum. The Board of Directors of the California African-American Museum shall be solely responsible for the actions taken and the expenditures made by the staff of the California African-American Museum in the scope and course of their employment.

(e) The Board of Directors of the California African-American Museum shall appoint an executive director, who shall be exempt from civil service, and any necessary staff to carry out the provisions of this section, who shall be subject to the State Civil Service Act (Part 2 (commencing with Section 18500) of Division 5 of Title 2 of the Government Code). The California African-American Museum shall submit its annual budget request directly to the State and Consumer Services Agency. The California African-American Museum may accept grants, contributions, and appropriations from federal, state, local, and private sources for its operation.

(f) The California African-American Museum shall preserve, collect, and display samples of African-American contributions to the arts, sciences, religion, education, literature, entertainment, politics, sports, and history of the state and the nation. The enrichment and historical perspective of that collection shall be made available for public use and enjoyment.

(g) The California African-American Museum shall use stationery and other supplies of the former museum and shall phase in the name change with existing resources.

SEC. 55. Article 2 (commencing with Section 56732) of Chapter 7.5 of Division 20 of the Food and Agricultural Code is repealed.

SEC. 56. Section 77417 of the Food and Agricultural Code is amended to read:

77417. "Ex officio members" are nonvoting members of the commission.

SEC. 57. Section 77442 of the Food and Agricultural Code is amended to read:

77442. A quorum of the commission shall be any seven voting producer members, three voting processor members, and three voting shipper members of the commission. Except as provided in Sections 77481.5 and 77499, the vote of a majority of members present

at a meeting at which there is a quorum shall constitute an act of the commission.

SEC. 58. Section 77501 of the Food and Agricultural Code, as added by Chapter 805 of the Statutes of 1993, is amended and renumbered to read:

77498. Every five years, commencing with the 1999-2000 marketing season, the director shall hold a hearing to determine whether the operation of this chapter should be continued. If the director finds after the hearing that a substantial question exists among the producers, processors, and shippers assessed under this chapter regarding whether the operation of this chapter should be continued, the director shall submit the chapter to a reapproval referendum. If a reapproval referendum is required, the operation of this chapter shall be continued in effect if the director finds that a majority of the eligible producers, processors, and shippers voting in the referendum voted in favor of continuing this chapter. In finding whether the commission is continued pursuant to this article, the vote of any nonprofit agricultural cooperative marketing association that is authorized by its members to so vote shall be considered as being the approval or rejection by the individual members of, or the individual stockholders in, the nonprofit agricultural cooperative marketing association.

If the director finds after conducting a hearing that no substantial question exists or that a favorable vote has been given, the director shall so certify and this chapter shall remain operative. If the director finds that a favorable vote has not been given, he or she shall so certify and declare the operation of this chapter and the commission suspended upon the expiration of the marketing season ending January 31, 2000. Thereupon, the operations of the commission shall be concluded and funds distributed in the manner provided in Section 77499.5. No bond or security shall be required for any such referendum.

SEC. 59. Section 77502 of the Food and Agricultural Code, as added by Chapter 805 of the Statutes of 1993, is amended and renumbered to read:

77498.5. Following a hearing, and favorable referendum if required, conducted prior to January 31, 2000, the process specified in Section 77498 shall be conducted by the commission every fifth year thereafter between February 1 and June 30, unless a referendum is conducted as the result of a petition pursuant to Section 77499. In that case, the hearing, and referendum if required, shall be conducted every fifth year following the industry petitioned referendum.

SEC. 60. Section 77503 of the Food and Agricultural Code, as added by Chapter 805 of the Statutes of 1993, is amended and renumbered to read:

77499. (a) Upon a finding by a two-thirds vote of the commission that the operation of this chapter has not tended to effectuate its declared purposes, the commission may recommend to the director

that the commission be suspended. Any suspension shall not become effective until the expiration of the current marketing season.

(b) The director shall, upon receipt of a recommendation, or may, after a public hearing to review a petition filed with him or her requesting such suspension, signed by 15 percent of the producers, processors, or shippers by number who produced, processed, or shipped not less than 15 percent of the volume in the immediately preceding season, cause a referendum to be conducted among the listed producers, processors, and shippers to determine if the operations of the commission shall be suspended. However, the director shall not hold a referendum as a result of the petition unless the petitioner shows by the weight of evidence that this chapter has not effectuated its declared purposes.

(c) The director shall establish a referendum period, which shall not be less than 10 or more than 60 days in duration. The director may prescribe additional procedures necessary to conduct the referendum. At the close of the established referendum period, the director shall tabulate the ballots filed during the period. If at least 40 percent of the total number of producers, processors, and shippers from the list established by the director participate in the referendum, the director shall suspend the operation of this chapter, if the director finds either one of the following:

(1) Sixty-five percent or more of the producers, processors, and shippers who voted in the referendum voted in favor of suspension, and the producers, processors, and shippers so voting marketed a majority of the total quantity of strawberries marketed in the preceding marketing season by all of the producers, processors, and shippers who voted in the referendum.

(2) That a majority of the producers, processors, and shippers who voted in the referendum voted in favor of suspension, and that the producers, processors, and shippers so voting marketed 65 percent or more of the total quantity of strawberries marketed in the preceding season by all of the producers, processors, and shippers who voted in the referendum.

SEC. 61. Section 77504 of the Food and Agricultural Code, as added by Chapter 805 of the Statutes of 1993, is amended and renumbered to read:

77499.5. After the effective date of suspension of this chapter and of the commission, the operations of the commission shall be concluded and all moneys held by the commission, and moneys collected by assessment and not required to defray the expenses of concluding and terminating operations of the commission, shall be returned upon a pro rata basis to all persons from whom assessments were collected in the immediately preceding current marketing season. However, if the commission finds that the amounts returnable are so small as to make impractical the computation and remitting of the pro rata refund to those persons, any moneys remaining and any moneys remaining after payment of all expenses of winding up and terminating operations shall be withdrawn from

the approved depository and paid into an appropriate state or federal program or used to fund activities related to the subject matter of this chapter.

SEC. 62. Section 77505 of the Food and Agricultural Code, as added by Chapter 805 of the Statutes of 1993, is amended and renumbered to read:

77500. Upon suspension of the operation of this chapter and of the commission, the commission shall mail a copy of the notice of suspension to all producers, processors, and shippers affected by the suspension whose names and addresses are on file.

SEC. 63. Section 6159 of the Government Code is amended to read:

6159. (a) As used in this section:

(1) "Credit card" means any card, plate, coupon book, or other credit device existing for the purpose of being used from time to time upon presentation to obtain money, property, labor, or services on credit.

(2) "Card issuer" means any person, or his or her agent, who issues a credit card and purchases credit card drafts.

(3) "Cardholder" means any person to whom a credit card is issued or any person who has agreed with the card issuer to pay obligations arising from the issuance of a credit card to another person.

(4) "Draft purchaser" means any person who purchases credit card drafts.

(b) Subject to subdivision (c), a court, city, county, city and county, or other public agency may authorize the acceptance of a credit card for any of the following:

(1) The payment for the deposit of bail or for any fine for any offense not declared to be a felony.

(2) The payment of a filing fee or other court fee.

(3) The payment of any towage or storage costs for a vehicle that has been removed from a highway, or from public or private property, as a result of parking violations.

(4) The payment of child, family, or spousal support, including reimbursement of public assistance, related fees, costs, or penalties, with the authorization of the cardholder.

(5) The payment for services rendered by any city, county, city and county, or other public agency.

(6) The payment of any fee, charge, or tax due a city, county, city and county, or other public agency.

(c) A court desiring to authorize the use of a credit card pursuant to subdivision (b) shall obtain the approval of its county board of supervisors. A city desiring to authorize the use of a credit card pursuant to subdivision (b) shall obtain the approval of its city council. Any other public agency desiring to authorize the use of a credit card pursuant to subdivision (b) shall obtain the approval of the governing body that has fiscal responsibility for that agency. After approval is obtained, a contract may be executed with one or

more credit card issuers or draft purchasers. The contract shall provide for:

(1) The respective rights and duties of the court, city, county, city and county, or other public agency and card issuer or draft purchaser regarding the presentment, acceptability, and payment of credit card drafts.

(2) The establishment of a reasonable means by which to facilitate payment settlements.

(3) The payment to the card issuer or draft purchaser of a reasonable fee or discount.

(4) Any other matters appropriately included in contracts with respect to the purchase of credit card drafts as may be agreed upon by the parties to the contract.

(d) The honoring of a credit card pursuant to subdivision (b) hereof constitutes payment of the amount owing to the court, city, county, city and county, or other public agency as of the date the credit card is honored, provided the credit card draft is paid following its due presentment to a card issuer or draft purchaser.

(e) If any credit card draft is not paid following due presentment to a card issuer or draft purchaser or is charged back to the court, city, county, city and county, or other public agency for any reason, any record of payment made by the court, city, or other public agency honoring the credit card shall be void. Any receipt issued in acknowledgment of payment shall also be void. The obligation of the cardholder shall continue as an outstanding obligation as if no payment had been attempted.

(f) Notwithstanding Title 1.3 (commencing with Section 1747) of Part 4 of Division 3 of the Civil Code, a court, city, county, city and county, or any other public agency may impose a fee for the use of a credit card, not to exceed the costs incurred by the agency in providing for payment by credit card. These costs may include, but shall not be limited to, the payment of fees or discounts as specified in paragraph (3) of subdivision (c). Any fee imposed pursuant to this subdivision for the use of a credit card shall be approved by the governing body responsible for the fiscal decisions of the public agency.

(g) Fees or discounts provided for under paragraph (3) of subdivision (c) shall be deducted or accounted for prior to any statutory or other distribution of funds received from the card issuer or draft purchaser to the extent not recovered from the cardholder pursuant to subdivision (f).

SEC. 64. Section 6516.5 of the Government Code, as added by Chapter 1235 of the Statutes of 1992, is amended and renumbered to read:

6516.8. Any two or more harbor agencies may establish a joint powers authority pursuant to Part 1 (commencing with Section 1690) of Division 6 of the Harbors and Navigation Code.

SEC. 65. Section 9020 of the Government Code is amended to read:

9020. The Legislature shall convene in regular session at the City of Sacramento at 12 p.m. on the first Monday in December of each even-numbered year, and each house shall immediately organize.

SEC. 65.5. Section 10207 of the Government Code is amended to read:

10207. (a) The Legislative Counsel shall maintain the attorney-client relationship with each Member of the Legislature with respect to communications between the member and the Legislative Counsel except as otherwise provided by the rules of the Legislature. All materials arising out of this relationship, including, but not limited to, proposed bills and amendments, analyses, opinions, and memoranda prepared by the Legislative Counsel, are not public records, except as otherwise provided by the rules of the Legislature or when released by the member for whom the material was prepared. When he or she determines that the public interest so requires, the Legislative Counsel may release any material arising out of the attorney-client relationship with a former Member of the Legislature who is not available to execute a release.

(b) (1) The Legislative Counsel shall maintain the attorney-client relationship with the Governor with respect to communications between the Governor and the Legislative Counsel. All materials arising out of this relationship, including, but not limited to, legal services concerning any bill in the Governor's hands for rejection, approval, or other action, legal services concerning any legal opinion provided to the Governor, and legal services concerning any matter as the circumstances permit and the Governor requests, prepared by the Legislative Counsel, are not public records, except when released by the Governor. When he or she determines that the public interest so requires, the Legislative Counsel may release any material arising out of the attorney-client relationship with a former Governor who is not available to execute a release.

(2) Whenever the Legislative Counsel issues an opinion to the Governor analyzing the constitutionality, operation, or effect of a bill or other legislative measure that is then pending before the Legislature, or of any amendment made or proposed to be made to that bill or measure, the Legislative Counsel shall deliver two copies of the opinion to the first-named author of the bill or measure as promptly as feasible after delivery of the original opinion, and shall also deliver a copy to any other author of the bill or measure who requests a copy.

SEC. 66. Section 11135 of the Government Code is amended to read:

11135. (a) No person in the State of California shall, on the basis of ethnic group identification, religion, age, sex, color, or disability, be unlawfully denied the benefits of, or be unlawfully subjected to discrimination under, any program or activity that is funded directly by the state or receives any financial assistance from the state.

(b) With respect to discrimination on the basis of disability,

programs and activities subject to subdivision (a) shall meet the protections and prohibitions contained in Section 202 of the Americans with Disabilities Act of 1990 (42 U.S.C. Sec. 12132), and the federal rules and regulations adopted in implementation thereof, except that if the laws of this state prescribe stronger protections and prohibitions, the programs and activities subject to subdivision (a) shall be subject to the stronger protections and prohibitions.

(c) As used in this section, "disability" means any of the following with respect to an individual: (1) a physical or mental impairment that substantially limits one or more of the major life activities of the individual, (2) a record of an impairment as described in paragraph (1), or (3) being regarded as having an impairment as described in paragraph (1).

SEC. 67. Section 12811 of the Government Code is amended to read:

12811. The Youth and Adult Correctional Agency consists of the Department of Corrections, the Department of the Youth Authority, the Board of Prison Terms, the Youthful Offender Parole Board, the Board of Corrections, and the Narcotic Addict Evaluation Authority.

SEC. 68. Section 12945.2 of the Government Code is amended to read:

12945.2. (a) Except as provided in subdivision (b), it shall be an unlawful employment practice for any employer, as defined in paragraph (2) of subdivision (c), to refuse to grant a request by any employee with more than 12 months of service with the employer, and who has at least 1,250 hours of service with the employer during the previous 12-month period, to take up to a total of 12 workweeks in any 12-month period for family care and medical leave. Family care and medical leave requested pursuant to this subdivision shall not be deemed to have been granted unless the employer provides the employee, upon granting the leave request, a guarantee of employment in the same or a comparable position upon the termination of the leave. The commission shall adopt a regulation specifying the elements of a reasonable request.

(b) Notwithstanding subdivision (a), it shall not be an unlawful employment practice for an employer to refuse to grant a request for family care and medical leave by an employee if the employer employs less than 50 employees within 75 miles of the worksite where that employee is employed.

(c) For purposes of this section:

(1) "Child" means a biological, adopted, or foster child, a stepchild, a legal ward, or a child of a person standing in loco parentis who is either of the following:

- (A) Under 18 years of age.
- (B) An adult dependent child.

(2) "Employer" means either of the following:

(A) Any person who directly employs 50 or more persons to perform services for a wage or salary.

(B) The state, and any political or civil subdivision of the state and

cities.

(3) "Family care and medical leave" means any of the following:

(A) Leave for reason of the birth of a child of the employee, the placement of a child with an employee in connection with the adoption or foster care of the child by the employee, or the serious health condition of a child of the employee.

(B) Leave to care for a parent or a spouse who has a serious health condition.

(C) Leave because of an employee's own serious health condition that makes the employee unable to perform the functions of the position of that employee, except for leave taken for disability on account of pregnancy, childbirth, or related medical conditions.

(4) "Employment in the same or a comparable position" means employment in a position that has the same or similar duties and pay that can be performed at the same or similar geographic location as the position held prior to the leave.

(5) "FMLA" means the federal Family and Medical Leave Act of 1993 (P.L. 103-3).

(6) "Health care provider" means any of the following:

(A) An individual holding either a physician's and surgeon's certificate issued pursuant to Article 4 (commencing with Section 2080) of Chapter 5 of Division 2 of the Business and Professions Code, an osteopathic physician's and surgeon's certificate issued pursuant to Article 4.5 (commencing with Section 2099.5) of Chapter 5 of Division 2 of the Business and Professions Code, or an individual duly licensed as a physician, surgeon, or osteopathic physician or surgeon in another state or jurisdiction, who directly treats or supervises the treatment of the serious health condition.

(B) Any other person determined by the United States Secretary of Labor to be capable of providing health care services under the FMLA.

(7) "Parent" means a biological, foster, or adoptive parent, a stepparent, a legal guardian, or other person who stood in loco parentis to the employee when the employee was a child.

(8) "Serious health condition" means an illness, injury, impairment, or physical or mental condition that involves either of the following:

(A) Inpatient care in a hospital, hospice, or residential health care facility.

(B) Continuing treatment or continuing supervision by a health care provider.

(d) An employer shall not be required to pay an employee for any leave taken pursuant to subdivision (a), except as required by subdivision (e).

(e) An employee taking a leave permitted by subdivision (a) may elect, or an employer may require the employee, to substitute, for leave allowed under subdivision (a), any of the employee's accrued vacation leave or other accrued time off during this period or any other paid or unpaid time off negotiated with the employer. If an

employee takes a leave because of the employee's own serious health condition, the employee may also elect, or the employer may also require the employee, to substitute accrued sick leave during the period of the leave. However, an employee shall not use sick leave during a period of leave in connection with the birth, adoption, or foster care of a child, or to care for a child, parent, or spouse with a serious health condition, unless mutually agreed to by the employer and the employee.

(f) (1) During any period that an eligible employee takes leave pursuant to subdivision (a) or takes leave that qualifies as leave taken under the FMLA, the employer shall maintain and pay for coverage under a "group health plan," as defined in Section 5000(b)(1) of the Internal Revenue Code of 1986, for the duration of the leave, not to exceed 12 workweeks in a 12-month period, commencing on the date leave taken under the FMLA commences, at the level and under the conditions coverage would have been provided if the employee had continued in employment continuously for the duration of the leave. Nothing in the preceding sentence shall preclude an employer from maintaining and paying for coverage under a "group health plan" beyond 12 workweeks. An employer may recover the premium that the employer paid as required by this subdivision for maintaining coverage for the employee under the group health plan if both of the following conditions occur:

(A) The employee fails to return from leave after the period of leave to which the employee is entitled has expired.

(B) The employee's failure to return from leave is for a reason other than the continuation, recurrence, or onset of a serious health condition that entitles the employee to leave under subdivision (a) or other circumstances beyond the control of the employee.

(2) Any employee taking leave pursuant to subdivision (a) shall continue to be entitled to participate in employee health plans for any period during which coverage is not provided by the employer under paragraph (1), employee benefit plans, including life, short-term, or long-term disability or accident insurance, pension and retirement plans, and supplemental unemployment benefit plans to the same extent and under the same conditions as apply to an unpaid leave taken for any purpose other than those described in subdivision (a). In the absence of these conditions an employee shall continue to be entitled to participate in these plans and, in the case of health and welfare employee benefit plans, including life, short-term, or long-term disability or accident insurance, or other similar plans, the employer may, at his or her discretion, require the employee to pay premiums, at the group rate, during the period of leave not covered by any accrued vacation leave, or other accrued time off, or any other paid or unpaid time off negotiated with the employer, as a condition of continued coverage during the leave period. However, the nonpayment of premiums by an employee shall not constitute a break in service, for purposes of longevity, seniority under any collective bargaining agreement, or any

employee benefit plan.

For purposes of pension and retirement plans, an employer shall not be required to make plan payments for an employee during the leave period, and the leave period shall not be required to be counted for purposes of time accrued under the plan. However, an employee covered by a pension plan may continue to make contributions in accordance with the terms of the plan during the period of the leave.

(g) During a family care and medical leave period, the employee shall retain employee status with the employer, and the leave shall not constitute a break in service, for purposes of longevity, seniority under any collective bargaining agreement, or any employee benefit plan. An employee returning from leave shall return with no less seniority than the employee had when the leave commenced, for purposes of layoff, recall, promotion, job assignment, and seniority-related benefits such as vacation.

(h) If the employee's need for a leave pursuant to this section is foreseeable, the employee shall provide the employer with reasonable advance notice of the need for the leave.

(i) If the employee's need for leave pursuant to this section is foreseeable due to a planned medical treatment or supervision, the employee shall make a reasonable effort to schedule the treatment or supervision to avoid disruption to the operations of the employer, subject to the approval of the health care provider of the individual requiring the treatment or supervision.

(j) (1) An employer may require that an employee's request for leave to care for a child, a spouse, or a parent who has a serious health condition be supported by a certification issued by the health care provider of the individual requiring care. That certification shall be sufficient if it includes all of the following:

(A) The date on which the serious health condition commenced.

(B) The probable duration of the condition.

(C) An estimate of the amount of time that the health care provider believes the employee needs to care for the individual requiring the care.

(D) A statement that the serious health condition warrants the participation of a family member to provide care during a period of the treatment or supervision of the individual requiring care.

(2) Upon expiration of the time estimated by the health care provider in subparagraph (C) of paragraph (1), the employer may require the employee to obtain recertification, in accordance with the procedure provided in paragraph (1), if additional leave is required.

(k) (1) An employer may require that an employee's request for leave because of the employee's own serious health condition be supported by a certification issued by his or her health care provider. That certification shall be sufficient if it includes all of the following:

(A) The date on which the serious health condition commenced.

(B) The probable duration of the condition.

(C) A statement that, due to the serious health condition, the employee is unable to perform the function of his or her position.

(2) The employer may require that the employee obtain subsequent recertification regarding the employee's serious health condition on a reasonable basis, in accordance with the procedure provided in paragraph (1), if additional leave is required.

(3) (A) In any case in which the employer has reason to doubt the validity of the certification provided pursuant to this section, the employer may require, at the employer's expense, that the employee obtain the opinion of a second health care provider, designated or approved by the employer, concerning any information certified under paragraph (1).

(B) The health care provider designated or approved under subparagraph (A) shall not be employed on a regular basis by the employer.

(C) In any case in which the second opinion described in subparagraph (A) differs from the opinion in the original certification, the employer may require, at the employer's expense, that the employee obtain the opinion of a third health care provider, designated or approved jointly by the employer and the employee, concerning the information certified under paragraph (1).

(D) The opinion of the third health care provider concerning the information certified under paragraph (1) shall be considered to be final and shall be binding on the employer and the employee.

(4) As a condition of an employee's return from leave taken because of the employee's own serious health condition, the employer may have a uniformly applied practice or policy that requires the employee to obtain certification from his or her health care provider that the employee is able to resume work. Nothing in this paragraph shall supersede a valid collective bargaining agreement that governs the return to work of that employee.

(l) It shall be an unlawful employment practice for an employer to refuse to hire, or to discharge, fine, suspend, expel, or discriminate against, any individual because of any of the following:

(1) An individual's exercise of the right to family care and medical leave provided by subdivision (a).

(2) An individual's giving information or testimony as to his or her own family care and medical leave, or another person's family care and medical leave, in any inquiry or proceeding related to rights guaranteed under this section.

(m) This section shall not be construed to require any changes in existing collective bargaining agreements during the life of the contract, or until January 1, 1993, whichever occurs first.

(n) The amendments made to this section by the act adding this subdivision shall not be construed to require any changes in existing collective bargaining agreements during the life of the contract, or until February 5, 1994, whichever occurs first.

(o) The provisions of this section shall be construed as separate and distinct from those of Section 12945.

(p) Leave provided for pursuant to this section may be taken in one or more periods. The 12-month period during which 12 workweeks of leave may be taken under this section shall run concurrently with the 12-month period under the FMLA, and shall commence the date leave taken under the FMLA commences.

(q) In any case in which both parents entitled to leave under subdivision (a) are employed by the same employer, the employer shall not be required to grant leave in connection with the birth, adoption, or foster care of a child that would allow the parents family care and medical leave totaling more than the amount specified in subdivision (a).

(r) (1) Notwithstanding subdivision (a), an employer may refuse to reinstate an employee returning from leave to the same or a comparable position if all of the following apply:

(A) The employee is a salaried employee who is among the highest paid 10 percent of the employer's employees who are employed within 75 miles of the worksite at which that employee is employed.

(B) The refusal is necessary to prevent substantial and grievous economic injury to the operations of the employer.

(C) The employer notifies the employee of the intent to refuse reinstatement at the time the employer determines the refusal is necessary under subparagraph (B).

(2) In any case in which the leave has already commenced, the employer shall give the employee a reasonable opportunity to return to work following the notice prescribed by subparagraph (C).

(s) Leave taken by an employee pursuant to this section shall run concurrently with leave taken pursuant to the FMLA, except for any leave taken under the FMLA for disability on account of pregnancy, childbirth, or related medical conditions. The aggregate amount of leave taken under this section or the FMLA, or both, except for leave taken for disability on account of pregnancy, childbirth, or related medical conditions, shall not exceed 12 workweeks in a 12-month period. An employee is entitled to take, in addition to the leave provided for under this section and the FMLA, the leave provided for in Section 12945, if the employee is otherwise qualified for that leave.

SEC. 69. Section 12955.9 of the Government Code, as added by Chapter 830 of the Statutes of 1993, is repealed.

SEC. 70. Section 13960 of the Government Code is amended to read:

13960. As used in this article:

(a) (1) "Victim" means a resident of the State of California, a member of the military stationed in California, or a family member living with a member of the military stationed in California who sustains injury or death as a direct result of a crime.

(2) "Derivative victim" means a resident of California who is one of the following:

(A) At the time of the crime was the parent, sibling, spouse, or

child of a victim.

(B) At the time of the crime was living in the household of the victim or who had previously lived in the household of the victim for a period of not less than two years in a relationship substantially similar to a relationship listed in subparagraph (A).

(C) Is another family member of the victim, including the victim's fiancé, and witnessed the crime.

(b) "Injury" includes physical or emotional injury, or both. However, this article does not apply to emotional injury unless that injury is incurred by a victim who also sustains physical injury or threat of physical injury. For purposes of this article, a victim of a crime committed in violation of Section 261, 270, 270a, 270c, 271, 272, 273a, 273b, 273d, 285, 286, 288, 288.1, 288a, or 289 of the Penal Code, who sustains emotional injury is presumed to have sustained physical injury.

(c) "Crime" means a crime or public offense that would constitute a misdemeanor or a felony if committed in California by a competent adult that results in injury to a resident of this state, including a crime or public offense, wherever it may take place, when the resident is temporarily absent from the state. No act involving the operation of a motor vehicle, aircraft, or water vehicle that results in injury or death constitutes a crime for the purposes of this article, except that a crime shall include any of the following:

(1) Injury or death intentionally inflicted through the use of a motor vehicle, aircraft, or water vehicle.

(2) Injury or death caused by a driver in violation of Section 20001 of the Vehicle Code.

(3) Injury or death caused by a person who is under the influence of any alcoholic beverage or drug.

(4) Injury or death caused by a driver of a motor vehicle in the immediate act of fleeing the scene of a crime in which he or she knowingly and willingly participated.

For the purpose of the limitations imposed by this article, a crime means one act or series of related acts arising from the same course of conduct with the same perpetrator or perpetrators.

(d) "Pecuniary loss" means the following expenses for which the victim or derivative victim has not been and will not be reimbursed from any other source:

(1) The amount of medical or medical-related expense incurred by the victim, including in-patient psychological or psychiatric expenses, and including, but not limited to, eyeglasses, hearing aids, dentures, or any prosthetic device taken, lost, or destroyed during the commission of the crime, or the use of which became necessary as a direct result of the crime.

(2) The amount of out-patient mental health counseling related expenses that became necessary as a direct result of the crime. These counseling services may be provided by a person licensed as a clinical social worker or a person licensed as a marriage, family, and child counselor practicing within the scope of licensure, or within the

scope of his or her respective practice acts.

(3) The loss of income or support that the victim or derivative victim has incurred or will incur as a direct result of an injury or death.

(4) Pecuniary loss also includes nonmedical remedial care and treatment rendered in accordance with a religious method of healing recognized by state law.

(5) The amount of group or family psychiatric, psychological, or mental health counseling expenses provided for the successful treatment or recovery of the victim to family members of the victim, whether or not the relationships existed at the time of the crime.

(e) "Board" means the State Board of Control.

(f) "Victim centers" means those centers as specified in Section 13835.2 of the Penal Code.

(g) "Peer counselor" means a provider of mental health counseling services who has completed a specialized course in rape crisis counseling skills development, participates in continuing education in rape crisis counseling skills development, and provides rape crisis counseling in consultation with a mental health practitioner licensed within the State of California.

SEC. 71. Section 14669.8 of the Government Code is amended to read:

14669.8. (a) Notwithstanding any other provision of law, the Director of General Services may enter into an amendment to the existing joint powers agreement with the San Francisco Redevelopment Agency in connection with the redevelopment of the 350 McAllister/455 Golden Gate block in the City and County of San Francisco. The redevelopment shall include, but not be limited to, demolition of existing structures, renovation, financing, planning, acquisition, construction and equipping, and furnishing of new state office buildings and parking facilities, and any betterments, improvements, and facilities related thereto, in the San Francisco Civic Center Area. In connection therewith, the director may enter into a lease-purchase agreement, an agreement for the appointment of a bond trustee, any other documents and agreements in connection with the financing by sale of bonds or otherwise of the development, and an agreement for the department to act as agent for acquisition, planning, and construction matters, each of which agreements shall be with the joint powers authority created under the joint powers agreement. In connection with the development of any agreements authorized by this section or any work or expenses related thereto, the joint powers authority may use any funds lawfully available to it for those purposes, and the department is empowered to use and expend those funds in accordance with the terms of any agreement between the department and the joint powers authority for the carrying out of the works on the development. The Treasurer shall be the agent for sale, as defined in Chapter 9 (commencing with Section 5700) of Division 6 of Title 1, for any financing authorized by this section.

(b) Inasmuch as it is in the best interest of the people of the State of California to consolidate state offices in the San Francisco Civic Center Area as described in subdivision (a), at the earliest opportunity, a "design-build" concept may be utilized in meeting the objective of this section.

(c) Notwithstanding any other provision of law, the joint powers authority described in subdivision (a) shall have the authority to borrow from the Pooled Money Investment Account as provided in Sections 16312 and 16313.

SEC. 72. Article 3.6 (commencing with Section 15346) of Chapter 1 of Part 6.7 of Division 3 of Title 2 of the Government Code, as added by Chapter 444 of the Statutes of 1993, is repealed.

SEC. 73. The heading of Article 3.6 (commencing with Section 15346) of Chapter 1 of Part 6.7 of Division 3 of Title 2 of the Government Code, as added by Chapter 445 of the Statutes of 1993, is amended and renumbered to read:

Article 3.7. California Defense Conversion Act of 1993

SEC. 74. The heading of Chapter 11 (commencing with Section 15399.50) of Part 6.7 of Division 3 of Title 2 of the Government Code, is amended and renumbered to read:

CHAPTER 12. DEPARTMENT OF PERMIT ASSISTANCE

SEC. 75. Section 15819.32 of the Government Code is amended and renumbered to read:

15819.05. (a) The State Public Works Board may issue revenue bonds, negotiable notes, or negotiable bond anticipation notes pursuant to Chapter 5 (commencing with Section 15830) of this part to finance the acquisition of the facilities specified in Sections 14016 and 14669.9.

(b) The amount of revenue bonds, negotiable notes, or negotiable bond anticipation notes to be sold shall equal the cost of acquisition, including land, construction, preliminary plans and working drawings, construction management and supervision, other costs relating to the design and construction of the facilities, exercise of any purchase option, and any additional sums necessary to pay interim and permanent financing costs. The additional amount may include interest and a reasonable required reserve fund.

(c) Authorized costs of the facilities, including land acquisition, preliminary plans, working drawings and construction shall not exceed one hundred and seventy-five million dollars (\$175,000,000).

(d) The State Public Works Board may authorize the augmentation of the amount authorized by this section subject to the limitations specified in Section 13332.11.

(e) Notwithstanding Section 13340 of the Government Code, funds derived from the interim and permanent financing or refinancing of the facilities specified in Sections 14016 and 14669.9 are

hereby continuously appropriated without regard to fiscal year for these purposes.

SEC. 76. Section 16367.5 of the Government Code is amended to read:

16367.5. The Department of Economic Opportunity shall receive and administer the federal Low-Income Home Energy Assistance Programs Block Grant, provided for pursuant to the Low-Income Home Energy Assistance Act of 1981, as amended (42 U.S.C. Sec. 8621 et seq.), and shall allocate funds received as follows:

(a) Five percent of the total federal allocation shall be allocated for purposes of administration. An additional 2.5 percent of the total federal allocation shall be set aside for administrative purposes and made available upon request of the Department of Finance, and pursuant to Section 28 of Chapter 99 of the Statutes of 1981.

(b) An amount between 15 percent and 25 percent of the total federal allocation shall be allocated for weatherization services for eligible individuals. For the purposes of this subdivision, weatherization shall include all energy conservation measures and energy efficient appliances that are cost effective and improve energy efficiency. For the purposes of this subdivision, these services shall be available to households where one or more individuals are receiving aid under Chapter 2 (commencing with Section 11200) and Chapter 3 (commencing with Section 12000) of Part 3 of Division 9 of the Welfare and Institutions Code, county general assistance recipients under Part 5 (commencing with Section 17000) of Division 9 of the Welfare and Institutions Code, Food Stamp Program recipients, provided for under Chapter 10 (commencing with Section 18900) of Part 6 of Division 9 of the Welfare and Institutions Code, payments under Section 415, 521, 541, or 542 of Title 38 of the United States Code, or under Section 306 of the Veterans' and Survivors' Pension Improvement Act of 1978, and other households with incomes not exceeding an amount equal to 150 percent of the federally established poverty level.

(c) Twenty-five percent for the Energy Crisis Intervention Program, to consist solely of emergency assistance to eligible individuals for programs specified in this subdivision, who give evidence of one or more of the following conditions:

- (1) Proof of utility shutoff notice.
- (2) Proof of energy termination.
- (3) Insufficient funds to establish a new energy account.
- (4) Insufficient funds to pay a current or delinquent utility bill.
- (5) Insufficient funds to pay the cost of space heating devices where no alternative source of space heating is reasonably available.
- (6) Insufficient funds to pay for essential firewood.
- (7) Insufficient funds to pay for the cost of emergency repairs to heating and cooling units.
- (8) Insufficient funds to pay energy costs for a household where a household member's medical condition requires use of life support or climate and temperature control systems.

The crisis intervention program shall not include advocacy, community mobilization, or community planning.

The Energy Crisis Intervention Program shall be available to households containing recipients of programs contained in Division 9 (commencing with Section 10000) of the Welfare and Institutions Code and referred to in subdivision (c), and other households with incomes not exceeding 130 percent of the federally established poverty level.

(d) The remainder of the total federal allocation shall be utilized for aid for home energy costs for direct assistance payments, which shall be distributed in accordance with subdivision (b) of Section 16367.6. Services shall be provided to both of the following:

(1) Households where one or more individuals are receiving any of the following:

(A) Aid to families with dependent children under the state's plan approved under Part A of Title IV of the federal Social Security Act (42 U.S.C. Sec. 601 et seq.) and Chapter 2 (commencing with Section 11200) of Part 3 of Division 9 of the Welfare and Institutions Code, other than aid in the form of foster care received in accordance with Section 408 of the federal Social Security Act.

(B) Supplemental Security Income payments under Title XVI of the federal Social Security Act (42 U.S.C. Sec. 1381 et seq.) and Chapter 3 (commencing with Section 12000) of Part 3 of Division 9 of the Welfare and Institutions Code).

(C) Food stamps received pursuant to Chapter 10 (commencing with Section 18900) of Part 6 of Division 9 of the Welfare and Institutions Code.

(D) Payments under Section 415, 521, 541, or 542 of Title 38 of the United States Code, or under Section 306 of the Veterans' and Survivors' Pension Improvement Act of 1978.

(2) Households with incomes not exceeding the greater of either an amount equal to 150 percent of the poverty level for this state, or an amount equal to 60 percent of the state median income, except that no household may be excluded from eligibility under this paragraph if the household has an income less than 110 percent of the poverty level of this state.

(e) The Department of Economic Opportunity shall contract with local public or private nonprofit agencies to assist with outreach, intake, and other activities to enroll eligible individuals.

(f) The program components provided for in subdivisions (b) and (d) shall include activities to enroll eligible individuals, especially the elderly and disabled, and to educate recipients about general energy conservation practices and about the availability of state and utility programs for free weatherization of low-income homes.

(g) The Department of Economic Opportunity and the Office of Planning and Research may enter into an interagency agreement concerning the education component of this section. If an agreement is entered into pursuant to this subdivision, it shall provide that the Office of Planning and Research shall contract with local public or

private nonprofit agencies for the education component. In order to maximize the efficiency of these programs, the Office of Planning and Research shall contract, to the extent feasible, with community-based organizations and community-action agencies providing crisis intervention grants under this section.

SEC. 77. Section 20013.7 of the Government Code is amended to read:

20013.7. (a) Effective January 1, 1985, there shall be an alternative level of benefits available to the following state miscellaneous members: (1) members who are excluded from the definition of state employee in subdivision (c) of Section 3513; (2) members employed by the executive branch of government who are not members of the civil service; and (3) members in state bargaining units for which a memorandum of understanding has been agreed to by the state employer and the recognized employee organization to become subject to this section. Effective September 1, 1986, this section shall apply to members employed by the state as provided for in Article VI of the California Constitution. The board shall provide the affected members a one-month election period commencing on August 1, 1986. This section does not apply to state miscellaneous members employed by the California State University or the University of California. This section shall not apply to any employee described by Section 20364 unless and until the employer, as defined in Section 20817, adopts a resolution approving that application.

(b) Effective September 1, 1986, there shall be an alternate level of benefits available to the following state industrial members: (1) members in state bargaining units for which a memorandum of understanding has been agreed to by the state employer and the recognized employee organization to become subject to this section; (2) members who are excluded from the definition of state employees in subdivision (c) of Section 3513; and (3) members employed by the executive branch of government who are not members of the civil service. The board shall provide the affected members a one-month election period commencing on August 1, 1986.

(c) Members eligible to participate in the alternative level of benefits, referred to in this part as the Second Tier, may make an irrevocable election during the period from November 1, 1988, through October 31, 1989, to: (1) become subject to the Second Tier benefits provided for in Section 21251.146 for all past state miscellaneous and state industrial service and all future state miscellaneous and state industrial service not excluded by this section; (2) become subject to the Second Tier benefits provided for in Section 21251.147 for state miscellaneous and state industrial service not excluded by this section rendered on and after the effective date of the election to be subject to the Second Tier. Any election by a member to be subject to Section 21251.146 or 21251.147 shall also be signed by the spouse of the member and both signatures

shall be notarized; (3) become subject to the First Tier retirement formula prescribed by Section 21251.13 for state miscellaneous and state industrial service rendered on or after the effective date of the election, provided that the member had previously elected coverage pursuant to Section 21251.146 or 21251.147 and makes the contributions specified in Section 20603; or (4) become subject to the First Tier retirement formula prescribed by Section 21251.13 for all past and future state miscellaneous and state industrial service, provided that the member had previously elected coverage pursuant to Section 21251.146 or 21251.147 and the member makes the contributions specified in Sections 20603 and 20813.5. The right of eligible members to elect coverage under the retirement formula of their choice shall apply solely during the above-prescribed one-year period, subject to conditions to be established and communicated by the board.

Thereafter, the board shall provide a 30-day period every five years for eligible members to make an irrevocable election to be subject to the Second Tier benefits provided for in Section 21251.146 or 21251.147. Eligible members who previously elected Section 21251.147 may make an irrevocable election to become subject to Section 21251.146 for all past state miscellaneous and state industrial service during this election period. The first election period shall be held five years from the ending date of the one-year election period specified in this subdivision.

The effective date of any election filed with the board shall be the first of the month following the date the election is received in the system, provided the election meets the conditions set by the board. Any election filed with the board under this subdivision shall also be signed by the spouse of the member and both signatures shall be notarized.

(d) Persons who become state miscellaneous or state industrial members described in this section or who become such members under Article 3 (commencing with Section 20360) of Chapter 3 of this part on or after the Second Tier effective date applicable to the member, shall be subject to Section 21251.147 unless an election is filed with the board to be subject to Section 21251.13 and the member makes the contributions specified in Section 20603. The appointing authority shall provide the member with the election form and the member shall exercise the election within one year of becoming a member. The effective date of the election shall be the date on which the member became a state miscellaneous or state industrial member.

(e) A state miscellaneous or state industrial member who, on or after the effective date of an election to be subject to Section 21251.146 or 21251.147, ceases to be a member pursuant to Section 20390 or 20390.1 shall, upon again becoming a state miscellaneous or state industrial member, be subject to Section 21251.146 or 21251.147 in accordance with his or her previous irrevocable election. This subdivision does not apply to persons who return to membership as

employees of the California State University.

Except as otherwise provided in this part, a state miscellaneous or state industrial member subject to Section 21251.146 or 21251.147 is subject to all other provisions applicable to state miscellaneous members except those provisions that provide for the payment of an annuity based on contributions. Notwithstanding any other provision of this part, member contributions are not required for any service credit that is subject to Section 21251.146.

(f) The board shall report to the Governor, the Legislature, and the Department of Personnel Administration on the savings that are the result of the implementation of the Second Tier retirement plan for state miscellaneous and state industrial members. The report shall first be submitted in April 1986, and annually in April of every year thereafter until April 1994.

SEC. 78. Section 20013.75 of the Government Code is amended to read:

20013.75. (a) It is the intent of the Legislature that the Department of Personnel Administration, in conjunction with the recognized state employee organizations, develop alternatives to the Second Tier retirement plan by June 30, 1992. The alternative plan may include enhanced benefits or provide benefits under a defined contribution program. However, the state employer's contribution to the alternative plan shall not be greater than the state's contribution rate to the current Second Tier. At the time that an alternative plan is agreed to and implemented, employees who were placed in the Second Tier shall be given an opportunity to elect coverage in the new alternative plan. In the event no alternative plan is implemented by June 30, 1992, employees shall remain in the Second Tier.

(b) Notwithstanding any other provision of this article, except as provided in subdivision (c), persons who first become state miscellaneous or state industrial members of the system on or after July 1, 1991, and who are either: (1) excluded from the definition of state employee in subdivision (c) of Section 3513; (2) employed by the executive branch of government who are not members of the civil service; or (3) included in the definition of state employee in subdivision (c) of Section 3513 shall become subject to Section 21251.146.

(c) Any person who was a member on or before June 30, 1991, eligible to elect membership on or before June 30, 1991, or who was employed in any position on or before June 30, 1991, that would lead to membership as a state member, as defined in Section 20013, and who thereafter enters employment subject to Section 21251.146 shall be granted the rights provided in subdivision (d) of Section 20013.7, unless the person had earlier made an irrevocable election to be subject to Section 21251.146 or 21251.147. The one-year period in which to make the election provided in subdivision (d) of Section 20013.7 for any member who became a state member prior to January 1, 1994, shall commence with the mailing of a notice by the

system to the member, of his or her election right. The effective date of the election shall be the date on which the member became a state miscellaneous or state industrial member. The member shall be obligated to make the contributions specified in Section 20603.

(d) This section shall not apply to state miscellaneous members employed by the California State University or employees described in Section 20364.

SEC. 79. Section 26751 of the Government Code, as added by Chapter 1268 of the Statutes of 1993, is repealed.

SEC. 80. Section 41612 of the Government Code, as added by Chapter 1268 of the Statutes of 1993, is repealed.

SEC. 81. Section 53115.1 of the Government Code is repealed.

SEC. 82. Section 54925.1 of the Government Code, as added by Chapter 1136 of the Statutes of 1993, is repealed.

SEC. 83. Section 54952.2 of the Government Code, as added by Chapter 1136 of the Statutes of 1993, is repealed.

SEC. 84. Section 56375 of the Government Code is amended to read:

56375. The commission shall have all of the following powers and duties subject to any limitations upon its jurisdiction set forth in this part:

(a) To review and approve or disapprove with or without amendment, wholly, partially, or conditionally, proposals for changes of organization or reorganization. Effective July 1, 1994, the commission may initiate proposals for consolidation of districts, as defined in Section 56036, dissolution, merger, or establishment of a subsidiary district, or a reorganization that includes any of these changes of organization. A commission shall have the authority to initiate a consolidation of districts, dissolution, merger, establishment of a subsidiary district, or a reorganization that includes any of these changes of organization only if that change of organization or reorganization is consistent with a recommendation or conclusion of a study prepared pursuant to Section 56378 or 56425. However, a commission shall not have the power to disapprove an annexation to a city, initiated by resolution, of contiguous territory that the commission finds is either:

(1) Surrounded or substantially surrounded by the city to which the annexation is proposed or by that city and a county boundary or the Pacific Ocean if the territory to be annexed is substantially developed or developing, is not prime agricultural land as defined in Section 56064, is designated for urban growth by the general plan of the annexing city, and is not within the sphere of influence of another city.

(2) Located within an urban service area that has been delineated and adopted by a commission, is not prime agricultural land, as defined by Section 56064, and is designated for urban growth by the general plan of the annexing city.

As a condition to the annexation of an area that is surrounded, or substantially surrounded, by the city to which the annexation is

proposed, the commission may require, where consistent with the purposes of this division, that the annexation include the entire island of surrounded, or substantially surrounded, territory.

A commission shall not impose any conditions that would directly regulate land use density or intensity, property development, or subdivision requirements. When the development purposes are not made known to the annexing city, the annexation shall be reviewed on the basis of the adopted plans and policies of the annexing city or county. This paragraph does not prohibit a commission from requiring, as a condition to annexation, that a city prezone the territory to be annexed. However, the commission shall not specify how, or in what manner, the territory shall be zoned.

(b) With regard to a proposal for annexation or detachment of territory to, or from, a city or district or with regard to a proposal for reorganization that includes annexation or detachment, to determine whether territory proposed for annexation or detachment, as described in the resolution approving the annexation, detachment, or reorganization, is inhabited or uninhabited.

(c) With regard to a proposal for consolidation of two or more cities or districts, to determine which city or district shall be the consolidated, successor city or district.

(d) To approve the annexation to a city after notice and hearing, and authorize the conducting authority to order annexation of the territory without an election, if the commission finds that the territory contained in an annexation proposal meets all of the following requirements:

(1) It does not exceed 75 acres in area, that area constitutes the entire island, and the island does not constitute a part of an unincorporated area that is more than 100 acres in area.

(2) It is surrounded in either of the following ways:

(A) Surrounded, or substantially surrounded, by the city to which annexation is proposed or by the city and a county boundary or the Pacific Ocean.

(B) Surrounded by the city to which annexation is proposed and adjacent cities.

(3) It is substantially developed or developing. The finding required by this paragraph shall be based upon one or more factors, including, but not limited to, any of the following factors:

(A) The availability of public utility services.

(B) The presence of public improvements.

(C) The presence of physical improvements upon the parcel or parcels within the area.

(4) It is not prime agricultural land, as defined by Section 56064.

(5) It will benefit from the annexation or is receiving benefits from the annexing city.

(e) To approve the annexation of unincorporated, noncontiguous territory, subject to the limitations of Section 56111, that is located in the same county as that in which the city is located and is owned by

a city and used for municipal purposes, and to authorize the conducting authority to annex the territory without notice and hearing.

(f) Subject to Section 56029, to designate in the resolution making determinations the conducting authority for proceedings.

(g) When a change of organization or a reorganization includes the annexation of inhabited territory to a city and the assessed value of land within the territory equals one-half or more of the assessed value of land within the city, or the number of registered voters residing within the territory equals one-half or more of the number of registered voters residing within the city, to determine as a condition of the proposal that the change of organization or reorganization shall also be subject to confirmation by the voters in an election to be called, held, and conducted within the territory of the city to which annexation is proposed.

(h) With respect to the incorporation of a new city or the formation of a new special district, to determine the number of registered voters residing within the proposed city or special district. The number of registered voters shall be calculated as of the time of the last report of voter registration by the county clerk to the Secretary of State prior to the date the first signature was affixed to the petition. The executive officer shall notify the petitioners of the number of registered voters resulting from this calculation.

(i) To adopt written procedures for the evaluation of proposals. The commission may adopt standards for any of the factors enumerated in Section 56841. Any standards adopted by the commission shall be written.

(j) To adopt standards and procedures for the evaluation of service plans submitted pursuant to Section 56653 and the initiation of a change of organization or reorganization pursuant to subdivision (a).

(k) To make and enforce regulations for the orderly and fair conduct of hearings by the commission.

(l) To incur usual and necessary expenses for the accomplishment of its functions.

(m) To appoint and assign staff personnel and to employ or contract for professional or consulting services to carry out and effect the functions of the commission.

(n) To review the boundaries of the territory involved in any proposal with respect to the definiteness and certainty of those boundaries, the nonconformance of proposed boundaries with lines of assessment or ownership, and other similar matters affecting the proposed boundaries.

(o) To waive the restrictions of Section 56109 if it finds that the application of the restrictions would be detrimental to the orderly development of the community and that the area that would be enclosed by the annexation or incorporation is so located that it cannot reasonably be annexed to another city or incorporated as a new city.

(p) To waive the application of Section 25210.90 or 22613 of the Streets and Highways Code if it finds that the application would deprive an area of a service needed to ensure the health, safety, or welfare of the residents of the area and that the waiver would not affect the ability of a city to provide any service. However, within 60 days of the inclusion of the territory within the city, the legislative body may adopt a resolution nullifying the waiver.

(q) If the proposal includes the incorporation of a city, as defined in Section 56043, or the formation of a district, as defined in Section 2215 of the Revenue and Taxation Code, the commission shall determine the property tax revenue to be exchanged by the affected local agencies pursuant to Section 56842.

SEC. 85. Section 68059 of the Government Code is amended to read:

68059. (a) The Fresno Metropolitan Projects Authority is hereby established.

(b) The authority shall be governed by a 13-member board of directors comprised of:

(1) One representative of the Board of Supervisors of Fresno County.

(2) One representative of the Fresno City Council.

(3) One representative of the Eleventh District of the Parent Teachers' Association.

(4) One representative of an ad hoc committee of retired judges from Fresno County's local and state benches.

(5) One representative of the Fresno City and County Chamber of Commerce.

(6) One representative of the Older Americans Association of Fresno County.

(7) One representative of an ad hoc committee of representatives of the Taxpayers Association of Fresno County and the San Joaquin Taxpayers Association.

(8) One representative of the Citizens for Community Enrichment.

(9) One representative of the Fresno County Farm Bureau.

(10) One representative of the Fresno-Madera Central Labor Council.

(11) One representative of the League of Mexican-American Women.

(12) One representative of the West Fresno Ministerial Alliance.

(13) One representative of the California Retired Teachers Association, Fresno County Division.

(c) Vacancies in any of the board positions shall be filled by the appointing entity or organization.

(d) Board members shall serve for a term of four years.

(e) All members of the board shall reside within the boundaries of the authority.

(f) All members of the board are limited to serving two consecutive terms.

(g) The number of members of the board may be increased to 15 by an affirmative vote of the majority of the members of the board.

(h) All members of the board shall file statements of economic interests pursuant to Chapter 9.5 (commencing with Section 89500) of Title 9.

SEC. 86. Section 95004 of the Government Code is amended to read:

95004. This title shall become operative upon the repeal of Title 14 (commencing with Section 95000) as added by Section 2 of Chapter 945 of the Statutes of 1993.

SEC. 87. Section 658.3 of the Harbors and Navigation Code is amended to read:

658.3. (a) No person shall operate a motorboat, sailboat, or vessel that is 26 feet or less in length unless every person on board who is six years of age or less is wearing a type I, II, or III Coast Guard-approved personal flotation device while that motorboat, sailboat, or vessel is underway.

(b) Subdivision (a) does not apply to a person operating a sailboat on which a person who is six years of age or less is restrained by a harness tethered to the vessel, or to a person operating a vessel on which a person who is six years of age or less is in an enclosed cabin.

(c) Subdivision (a) does not apply to a person operating a motorboat, sailboat, or vessel if the operator is reacting to an emergency rescue situation.

(d) The following definitions govern the construction of this section:

(1) "Enclosed cabin" means a space on board a vessel that is surrounded by bulkheads and covered by a roof.

(2) "Operate a motorboat, sailboat, or vessel" means to be in control or in charge of a motorboat, sailboat, or vessel while it is underway.

(3) "Underway" means all times except when the motorboat, sailboat, or vessel is anchored, moored, or aground.

(e) A violation of this section is an infraction punishable as provided in subdivision (a) of Section 668.

SEC. 88. Section 1126 of the Harbors and Navigation Code is amended to read:

1126. (a) Every person who is not the master or owner of the vessel or who does not hold a license as a pilot or as an inland pilot issued pursuant to this division, and who pilots any vessel into or out of any harbor or port of the Bay of San Francisco, San Pablo, or Suisun, or who acts as a pilot for ship movements or special operations upon the waters of any of those bays, is guilty of a misdemeanor. In addition to the fines or other penalties provided by law, the court may order that person to pay to the pilot who is entitled to pilot the vessel the amount of pilotage fees collected.

(b) Any person may also be enjoined from engaging in the pilotage prescribed by subdivision (a) by a court of competent jurisdiction.

(c) This section does not apply to any of the following persons:
(1) Persons piloting vessels pursuant to the valid regulatory authority of the Port of Sacramento or the Port of Stockton.

(2) Persons piloting vessels when a pilot is not available or is unable to reach the vessel.

(3) Persons piloting vessels sailing under an enrollment, as specified in Section 1127.

(4) Persons piloting vessels pursuant to Section 1179.

(5) Persons piloting vessels when a state-licensed pilot is prevented from joining or refuses to join the vessel. However, a vessel may not hire a pilot not licensed by the state until both of the following occur:

(A) A representative of the vessel notifies the executive director of the board, or his or her designee, that this paragraph applies.

(B) The executive director immediately notifies the representative of the organization composed of state-licensed pilots, or his or her designee, that the vessel will hire a pilot not licensed by the state unless a state-licensed pilot offers to join the vessel immediately.

SEC. 89. Section 1171.5 of the Harbors and Navigation Code is amended to read:

1171.5. (a) The board shall adopt, by regulation, licensing standards that equal or exceed standards for obtaining federal endorsements and that conform with and support the state policy specified in Sections 1100 and 1101.

(b) The board shall adopt reasonable rules and regulations that require pilots to be qualified to perform all pilot duties.

(c) The board shall adopt, by regulation, training standards and a training program for pilots, inland pilots, and pilot trainees. In the case of pilot trainees, the training program shall be for a minimum of one year and a maximum of three years. In the case of pilots and inland pilots, the board shall specify the type, nature, duration, and frequency of the training required and the identity of the pilots or inland pilots who are required to undergo training in the next 12-month period. Pursuant to Section 1182, the license of a pilot or inland pilot may be revoked or suspended if he or she fails to complete the training required by this subdivision during the period specified. The board shall also require that an evaluation of the pilot's or inland pilot's performance be prepared by the institution selected by the board to provide pilot training, and the institution shall provide copies of the evaluation to the pilot or inland pilot and to the pilot evaluation committee.

(d) The board shall adopt, by regulation, the qualifications, standards, and rating criteria for admission of pilot trainees to the training program. Notwithstanding subdivision (f), the board shall administer and conduct the pilot trainee admission selection in accordance with the regulations for admission.

(e) The board shall establish a pilot evaluation committee consisting of five active pilots who each have at least 10 years'

experience as a pilot on the Bays of San Francisco, San Pablo, and Suisun. The board shall select the members of the pilot evaluation committee. A member may not serve for more than two four-year terms, except that two of the initial members appointed to the pilot evaluation committee shall serve terms of two years.

(f) The pilot evaluation committee shall conduct and supervise the pilot training programs pursuant to the direction and regulation of the board and consistent with the intent of this division.

(g) The board shall issue a certificate of completion to each pilot trainee who satisfactorily completes the training program. The board shall not issue a pilot's license to any person who does not receive a certificate of completion of the training program from the board, although the board may refuse to issue a pilot license to a pilot trainee who has received this certificate.

(h) The training program for pilots, inland pilots, and pilot trainees shall be funded from the Board of Pilot Commissioners' Special Fund pursuant to Section 1159.

SEC. 90. Section 429.13 of the Health and Safety Code, as added by Chapter 639 of the Statutes of 1991, is amended and renumbered to read:

429.20. The Legislature hereby finds and declares all of the following:

(a) More than 700,000 California health care workers and professionals, such as nurses, physicians and surgeons and housekeeping staff, daily put their lives at risk of infection from deadly, bloodborne diseases in order to provide health care for all Californians.

(b) Nationally, more than 1,000 health care personnel a year are infected with Hepatitis B, and 250 die of this disease.

(c) Approximately 30 cases of occupational exposure to HIV have been conclusively documented by the federal Centers for Disease Control.

(d) Studies estimate that it is likely that several hundred health care workers nationwide have been infected with HIV on the job.

(e) Some bloodborne diseases, including infection with HIV, can be prevented only through avoiding exposure to the pathogen.

(f) In 1989, the federal Occupational Safety and Health Administration estimated that health care personnel suffer 889,000 exposures to bloodborne diseases annually nationwide and that 790,000 of these exposures results from injuries from sharp instruments, including needle sticks.

(g) During a six-month period, more than 200 exposures of health care personnel to blood and other bodily fluids were documented at a single hospital, the Medical Center at the University of California, San Francisco.

(h) While most health care employers have implemented rigorous, universal infection control procedures, requiring gloving and other protective equipment, exposure to bloodborne diseases continues to be a major risk for health care workers.

(i) As the federal Occupational Safety and Health Administration has noted, gloving and other protective devices cannot prevent puncture injuries from needles and other sharp instruments.

(j) Medical devices, such as needles and intravenous tubing, are reviewed by the federal Food and Drug Administration for patient safety and efficacy but are not reviewed by any state or federal agency for worker safety.

(k) It is estimated that improved product design of medical devices, such as needles, syringes, connectors for intravenous tubes, and vacuum tubes used to draw blood could reduce injuries involving exposure to blood by as much as 85 percent.

SEC. 91. Section 429.14 of the Health and Safety Code, as added by Chapter 639 of the Statutes of 1991, is amended and renumbered to read:

429.21. It is the intent of the Legislature in enacting this article to reduce exposure of health care personnel to deadly, bloodborne diseases by encouraging the development and use of medical devices that are designed to assure worker safety as well as the safety of patients and the efficacy of the device.

SEC. 92. Section 429.15 of the Health and Safety Code, as added by Chapter 639 of the Statutes of 1991, is amended and renumbered to read:

429.22. (a) The program on occupational health and occupational disease prevention of the state department shall do all of the following:

(1) In coordination with the Division of Occupational Safety and Health, review and analyze existing studies, data, and other information on safety-enhanced product design of medical devices that place health care workers at risk of exposure to bloodborne diseases including, but not limited to, syringes and intravenous tubing that have sharp points.

(2) Collect and evaluate information from health facilities that are using medical devices that have been redesigned to enhance worker safety.

(3) To the extent that funding is available, conduct demonstration projects to test the use of safety enhanced medical devices at health facilities that volunteer to participate in these projects.

(4) Report to the Legislature and the Department of Industrial Relations its findings regarding the use of safety-enhanced product design for medical devices. These findings shall include analysis and recommendations regarding projected cost savings to health facilities, actual improvement in worker safety, and continued patient safety and efficacy.

(b) The duties required by this section shall be performed to the extent that the state department obtains funds from private sources and the federal government.

SEC. 93. Section 429.16 of the Health and Safety Code is amended to read:

429.16. (a) A program is hereby established within the

department to meet the requirements of the Residential Lead-Based Paint Hazard Reduction Act of 1992 (42 U.S.C. Sec. 4851 and following) and Title X of the Housing and Community Development Act of 1992 (P.L. 102-550).

(b) The department shall implement and administer the program. The department shall have powers and authority consistent with the intent of, and shall promulgate regulations to establish the program as an authorized state program pursuant to, Title IV, Section 402 to 404, inclusive, of the Toxic Substances Control Act (15 U.S.C. Sec. 2601 and following).

(c) Regulations regarding accreditation of training providers that are promulgated pursuant to subdivision (b) shall include, but not be limited to, provisions governing accreditation of providers of health and safety training to employees who engage in or supervise lead-related construction work as defined in Section 6716 of the Labor Code, and certification of employees who have successfully completed that training. Regulations regarding accreditation of training providers shall, as a condition of accreditation, require providers to offer training that meets the requirements of Section 6717 of the Labor Code. The department shall, not later than August 1, 1994, adopt regulations establishing fees for the accreditation of training providers, the certification of individuals, and the licensing of entities engaged in lead-related occupations. The fees imposed under this subdivision shall be established at levels not exceeding an amount sufficient to cover the costs of administering and enforcing the standards and regulations promulgated under this section. The fees established pursuant to this subdivision shall not be imposed on any state or local government or nonprofit training program.

(d) All regulations affecting the training of employees shall be adopted in consultation with the Division of Occupational Safety and Health. The regulations shall include provisions for allocating to the division an appropriate portion of funds to be expended for the program for the division's cost of enforcing compliance with training and certification requirements. The department shall adopt regulations to establish the program on or before August 1, 1994.

(e) The department shall review and amend its training, certification, and accreditation regulations promulgated under this section as is necessary to ensure continued eligibility for federal and state funding of lead-hazard reduction activities in the state.

SEC. 94. Section 1250.1 of the Health and Safety Code, as added by Chapter 931 of the Statutes of 1993, is amended and renumbered to read:

1250.03. A rural general acute care hospital that does not provide surgical and anesthesia services shall maintain written transfer agreements with one or more general acute care hospitals that provide surgical and anesthesia services.

SEC. 95. Section 1259.5 of the Health and Safety Code is amended to read:

1259.5. By January 1, 1995, each general acute care hospital, acute

psychiatric hospital, special hospital, psychiatric health facility, and chemical dependency recovery hospital shall establish written policies and procedures to screen patients routinely for the purpose of detecting spousal or partner abuse. The policies shall include guidelines on all of the following:

(a) Identifying, through routine screening, spousal or partner abuse among patients.

(b) Documenting patient injuries or illnesses attributable to spousal or partner abuse.

(c) Educating appropriate hospital staff about the criteria for identifying, and the procedures for handling, patients whose injuries or illnesses are attributable to spousal or partner abuse.

(d) Advising patients exhibiting signs of spousal or partner abuse of crisis intervention services that are available either through the hospital facility or through community-based crisis intervention and counseling services.

(e) Providing to patients who exhibit signs of spousal or partner abuse information on domestic violence and a referral list, to be updated periodically, of private and public community agencies that provide, or arrange for, evaluation of and care for persons experiencing spousal or partner abuse, including, but not limited to, hot lines, local battered women's shelters, legal services, and information about temporary restraining orders.

SEC. 96. Section 1266 of the Health and Safety Code is amended to read:

1266. (a) Each new and renewal application for a license for the health facilities listed below shall be accompanied by an annual fee as set forth below.

(1) The annual fee for a general acute care hospital, acute psychiatric hospital, special hospital, and chemical dependency recovery hospital, based on the number of licensed beds, is as follows

1-49 beds	\$460 plus \$8 per bed
50-99 beds	\$850 plus \$8 per bed
100 or more beds	\$1,175 plus \$8 per bed

(2) The annual fee for a skilled nursing facility, intermediate care facility, and intermediate care facility/developmentally disabled based on the number of licensed beds, is as follows:

1-59 beds	\$2,068 plus \$26 per bed
60-99 beds	\$2,543 plus \$26 per bed
100 or more beds	\$3,183 plus \$26 per bed

(3) The fees specified in this subdivision shall be adjusted commencing July 1, 1983, as proposed in the state department 1983-84 fiscal year Health Facility License Fee Report to the Legislature. Commencing July 1, 1984, fees provided in this subdivision shall be adjusted annually, as directed by the Legislature in the annual Budget Act.

(b) (1) By March 17 of each year, the State Department of Health Services shall make available to interested parties, upon request, information regarding the methodology and calculations used to determine the fee amounts specified in this section, the staffing and systems analysis required under subdivision (e), the program costs associated with the licensing provisions of this division, and the actual numerical fee charges to be implemented on June 30 of that year. The methodology and calculations used to determine the fee amounts shall result in fee levels that are sufficient to provide revenues equal to the sum of the following:

(A) The General Fund expenditures for the fiscal year ending on June 30 of that year, as specified in the Governor's proposed budget, less license fees estimated to be collected in that fiscal year under the licensing provisions of this division, excluding licensing fees collected pursuant to this section.

(B) The amount of federal funds budgeted for the fiscal year ending June 30 of that year for the licensing provisions of the division, less federal funds received or credited, or anticipated to be received or credited, during that fiscal year for that purpose.

The methodology for calculating the fee levels shall include an adjustment that takes into consideration the actual amount of license fee revenue collected pursuant to this section for that prior fiscal year.

(2) The information specified in paragraph (1) shall specifically identify federal funds received, but not previously budgeted, for the licensing provisions of this division that are used to offset the amount of General Fund money to be recovered through license fees. The information also shall identify the purpose of federal funds received for any additional activities under the licensing provisions of this division that are not used to offset the amount of General Fund money.

(c) The annual fees determined pursuant to this section shall be waived for any health facility conducted, maintained, or operated by this state or any state department, authority, bureau, commission, or office, by the Regents of the University of California, or by a local hospital district, city, county, or city and county.

(d) The department shall, by July 30 of each year, publish a list of actual numerical fee charges as adjusted pursuant to this section. This adjustment of fees and the publication of the fee list shall not be subject to the requirements of Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code. If the published list of fees is higher than that made available to interested parties pursuant to subdivision (b), the affected health facilities may choose to pay the fee in the amount presented at the public hearing and to defer payment of the additional increment until 60 days after publication of the list of fees pursuant to this subdivision.

(e) Prior to the establishment of the annual fee, the state department shall prepare a staffing and systems analysis to ensure

the efficient and effective utilization of fees collected, and the proper allocation of departmental resources to licensing and certification activities, survey schedules, complaint investigations, enforcement and appeal activities, data collection and dissemination, surveyor training, and policy development.

The analysis prepared under this subdivision shall be included in the information made available pursuant to subdivision (b), and shall include all of the following:

(1) The number of surveyors and administrative support personnel devoted to the licensing and certification of health care facilities.

(2) The percentage of time devoted to licensing and certification activities for the various types of health facilities.

(3) The number of facilities receiving full surveys and the frequency and number of followup visits.

(4) The number and timeliness of complaint investigations.

(5) Data on deficiencies and citations issued, and numbers of citation review conferences and arbitration hearings.

(6) Training courses provided for surveyors.

(7) Other applicable activities of the licensing and certification division.

The analysis also shall include recommendations for administrative changes to streamline and prioritize the survey process, complaint investigations, management information systems, word processing capabilities and effectiveness, consumer information system, and surveyor training.

The annual staffing and systems analysis shall be presented to the Health Care Advisory Committee and the Legislature prior to the establishment and adoption of the annual fee.

(f) The annual fee for a congregate living health facility shall initially be based, until adjusted by the Legislature in a Budget Act, on the number of licensed beds as follows:

1-3 beds	\$ 800
4-6 beds	\$1,000
7-10 beds	\$1,200
11-15 beds	\$1,500
16 or more beds	\$1,700

Commencing July 1, 1991, fees specified in this subdivision shall be adjusted annually, as directed by the Legislature in the annual Budget Act.

(g) The annual fee for a pediatric day health and respite care facility, as defined in Section 1760.2, shall initially be based, until adjusted by the Legislature in a Budget Act, on the number of licensed beds as follows:

1-3 beds or clients	\$ 800
4-6 beds or clients	\$1,000
7-10 beds or clients	\$1,200
11-15 beds or clients	\$1,500
16 or more beds or clients	\$1,700 plus \$50 for each additional bed or client over 16 beds or clients

Commencing July 1, 1993, fees provided in this subdivision shall be adjusted annually, as directed by the Legislature in the annual Budget Act.

SEC. 97. Section 1357 of the Health and Safety Code is amended to read:

1357. As used in this article:

(a) "Dependent" means the spouse or child of an eligible employee, subject to applicable terms of the health care plan contract covering the employee, and includes dependents of guaranteed association members if the association elects to include dependents under its health coverage at the same time it determines its membership composition pursuant to subdivision (o).

(b) "Eligible employee" means either of the following:

(1) Any permanent employee who is actively engaged on a full-time basis in the conduct of the business of the small employer with a normal workweek of at least 30 hours, at the small employer's regular places of business, who has met any statutorily authorized applicable waiting period requirements. The term includes sole proprietors or partners of a partnership, if they are actively engaged on a full-time basis in the small employer's business and included as employees under a health care plan contract of a small employer, but does not include employees who work on a part-time, temporary, or substitute basis. It includes any eligible employee as defined in this paragraph who obtains coverage through a guaranteed association. Employees of employers purchasing through a guaranteed association shall be deemed to be eligible employees if they would otherwise meet the definition except for the number of persons employed by the employer.

(2) Any member of a guaranteed association as defined in subdivision (o).

(c) "In force business" means an existing health benefit plan contract issued by the plan to a small employer.

(d) "Late enrollee" means an eligible employee or dependent who has declined enrollment in a health benefit plan offered by a small employer at the time of the initial enrollment period provided under the terms of the health benefit plan and who subsequently requests enrollment in a health benefit plan of that small employer, provided that the initial enrollment period shall be a period of at least 30 days. It also means any member of an association that is a guaranteed association as well as any other person eligible to

purchase through the guaranteed association when that person has failed to purchase coverage during the initial enrollment period provided under the terms of the guaranteed association's plan contract and who subsequently requests enrollment in the plan, provided that the initial enrollment period shall be a period of at least 30 days. However, an eligible employee, any other person eligible for coverage through a guaranteed association pursuant to subdivision (o), or dependent shall not be considered a late enrollee if: (1) the individual meets all of the following: (A) he or she was covered under another employer health benefit plan at the time the individual was eligible to enroll; (B) he or she certified at the time of the initial enrollment that coverage under another employer health benefit plan was the reason for declining enrollment, provided that, if the individual was covered under another employer health plan, the individual was given the opportunity to make the certification required by this subdivision and was notified that failure to do so could result in later treatment as a late enrollee; (C) he or she has lost or will lose coverage under another employer health benefit plan as a result of termination of employment of the individual or of a person through whom the individual was covered as a dependent, change in employment status of the individual or of a person through whom the individual was covered as a dependent, termination of the other plan's coverage, cessation of an employer's contribution toward an employee or dependent's coverage, death of the person through whom the individual was covered as a dependent, or divorce; and (D) he or she requests enrollment within 30 days after termination of coverage or employer contribution toward coverage provided under another employer health benefit plan; (2) the employer offers multiple health benefit plans and the employee elects a different plan during an open enrollment period; (3) a court has ordered that coverage be provided for a spouse or minor child under a covered employee's health benefit plan and request for enrollment is made within 30 days after issuance of the court order; (4) (A) in the case of an eligible employee as defined in paragraph (1) of subdivision (b), the plan cannot produce a written statement from the employer stating that the individual or the person through whom the individual was eligible to be covered as a dependent, prior to declining coverage, was provided with, and signed, acknowledgment of an explicit written notice in bold type specifying that failure to elect coverage during the initial enrollment period permits the plan to impose, at the time of the individual's later decision to elect coverage, an exclusion from coverage for a period of 12 months as well as a six-month preexisting condition exclusion, unless the individual meets the criteria specified in paragraph (1), (2), or (3); (B) in the case of an association member who did not purchase coverage through a guaranteed association, the plan cannot produce a written statement from the association stating that the association sent a written notice in bold type to all potentially eligible association members at their last known address prior to the initial

enrollment period informing members that failure to elect coverage during the initial enrollment period permits the plan to impose, at the time of the member's later decision to elect coverage, an exclusion from coverage for a period of 12 months as well as a six-month preexisting condition exclusion unless the member can demonstrate that he or she meets the requirements of subparagraphs (A), (C), and (D) of paragraph (1) or paragraph (2) or (3); or (C) in the case of an employer or person who is not a member of an association, was eligible to purchase coverage through a guaranteed association, and did not do so, and would not be eligible to purchase guaranteed coverage unless purchased through a guaranteed association, the employer or person can demonstrate that he or she meets the requirements of subparagraphs (A), (C), and (D) of paragraph (1), or paragraph (2) or (3), or that he or she recently had a change in status that would make him or her eligible and that application for enrollment was made within 30 days of the change.

(e) "New business" means a health care service plan contract issued to a small employer that is not the plan's in force business.

(f) "Preexisting condition provision" means a contract provision that excludes coverage for charges or expenses incurred during a specified period following the employee's effective date of coverage, as to a condition for which medical advice, diagnosis, care, or treatment was recommended or received during a specified period immediately preceding the effective date of coverage.

(g) "Qualifying prior coverage" means:

(1) Any individual or group policy, contract, or program that is written or administered by a disability insurer, nonprofit hospital service plan, health care service plan, fraternal benefits society, self-insured employer plan, or any other entity, in this state or elsewhere, and that arranges or provides medical, hospital, and surgical coverage not designed to supplement other private or governmental plans. The term includes continuation or conversion coverage but does not include accident only, credit, disability income, Medicare supplement, long-term care, dental, vision, coverage issued as a supplement to liability insurance, insurance arising out of a workers' compensation or similar law, automobile medical payment insurance, or insurance under which benefits are payable with or without regard to fault and that is statutorily required to be contained in any liability insurance policy or equivalent self-insurance.

(2) The federal Medicare program pursuant to Title XVIII of the Social Security Act.

(3) The medicaid program pursuant to Title XIX of the Social Security Act.

(4) Any other publicly sponsored program, provided in this state or elsewhere, of medical, hospital, and surgical care.

(h) "Rating period" means the period for which premium rates established by a plan are in effect, and shall be no less than six months.

(i) "Risk adjusted employee risk rate" means the rate determined for an eligible employee of a small employer in a particular risk category after applying the risk adjustment factor.

(j) "Risk adjustment factor" means the percentage adjustment to be applied equally to each standard employee risk rate for a particular small employer, based upon any expected deviations from standard cost of services. This factor may not be more than 120 percent or less than 80 percent until July 1, 1996. Effective July 1, 1996, this factor may not be more than 110 percent or less than 90 percent.

(k) "Risk category" means the following characteristics of an eligible employee: age, geographic region, and family composition of the employee, plus the health benefit plan selected by the small employer.

(1) No more than the following age categories may be used in determining premium rates:

- Under 30
- 30-39
- 40-49
- 50-54
- 55-59
- 60-64
- 65 and over

However, for the 65 and over age category, separate premium rates may be specified depending upon whether coverage under the plan contract will be primary or secondary to benefits provided by the federal Medicare program pursuant to Title XVIII of the federal Social Security Act.

(2) Small employer health care service plans shall base rates to small employers using no more than the following family size categories:

- (A) Single.
- (B) Married couple.
- (C) One adult and child or children.
- (D) Married couple and child or children.

(3) (A) In determining rates for small employers, a plan that operates statewide shall use no more than nine geographic regions in the state, have no region smaller than an area in which the first three digits of all its ZIP Codes are in common within a county, and divide no county into more than two regions. Plans shall be deemed to be operating statewide if their coverage area includes 90 percent or more of the state's population. Geographic regions established pursuant to this section shall, as a group, cover the entire state, and the area encompassed in a geographic region shall be separate and distinct from areas encompassed in other geographic regions. Geographic regions may be noncontiguous.

(B) In determining rates for small employers, a plan that does not operate statewide shall use no more than the number of geographic regions in the state than is determined by the following formula: the

population, as determined in the last federal census, of all counties that are included in their entirety in a plan's service are divided by the total population of the state, as determined in the last federal census, multiplied by nine. The resulting number shall be rounded to the nearest whole integer. No region may be smaller than an area in which the first three digits of all its ZIP Codes are in common within a county and no county may be divided into more than two regions. The area encompassed in a geographic region shall be separate and distinct from areas encompassed in other geographic regions. Geographic regions may be noncontiguous. No plan shall have less than one geographic area.

Nothing in this section shall be construed to require a plan to establish a new service area or to offer health coverage on a statewide basis, outside of the plan's existing service area.

(l) "Small employer" means either of the following:

(1) Any person, firm, proprietary or nonprofit corporation, partnership, public agency, or association that is actively engaged in business or service, that, on at least 50 percent of its working days during the preceding calendar quarter, employed at least three, but no more than 50, eligible employees, the majority of whom were employed within this state, that was not formed primarily for purposes of buying health care service plan contracts, and in which a bona fide employer-employee relationship exists. However, for purposes of subdivisions (a), (b), and (c) of Section 1357.03, the definition shall include employers with at least five eligible employees until July 1, 1994, four eligible employees until July 1, 1995, and three eligible employees thereafter. In determining the number of eligible employees, companies that are affiliated companies and that are eligible to file a combined tax return for purposes of state taxation shall be considered one employer. Subsequent to the issuance of a health care service plan contract to a small employer pursuant to this article, and for the purpose of determining eligibility, the size of a small employer shall be determined annually. Except as otherwise specifically provided in this article, provisions of this article that apply to a small employer shall continue to apply until the plan contract anniversary following the date the employer no longer meets the requirements of this definition. It includes any small employer as defined in this paragraph who purchases coverage through a guaranteed association, and any employer purchasing coverage for employees through a guaranteed association.

(2) Any guaranteed association, as defined in subdivision (n), that purchases health coverage for members of the association.

(m) "Standard employee risk rate" means the rate applicable to an eligible employee in a particular risk category in a small employer group.

(n) "Guaranteed association" means a nonprofit organization comprised of a group of individuals or employers who associate based solely on participation in a specified profession or industry, accepting for membership any individual or employer meeting its membership

criteria, and that (1) includes one or more small employers as defined in paragraph (1) of subdivision (1), (2) does not condition membership directly or indirectly on the health or claims history of any person, (3) uses membership dues solely for and in consideration of the membership and membership benefits, except that the amount of the dues shall not depend on whether the member applies for or purchases insurance offered to the association, (4) is organized and maintained in good faith for purposes unrelated to insurance, (5) has been in active existence on January 1, 1992, and for at least five years prior to that date, (6) has included health insurance as a membership benefit for at least five years prior to January 1, 1992, (7) has a constitution and bylaws, or other analogous governing documents that provide for election of the governing board of the association by its members, (8) offers any plan contract that is purchased to all individual members and employer members in this state, (9) includes any member choosing to enroll in the plan contracts offered to the association provided that the member has agreed to make the required premium payments, and (10) covers at least 1,000 persons with the health care service plan with which it contracts. The requirement of 1,000 persons may be met if component chapters of a statewide association contracting separately with the same carrier cover at least 1,000 persons in the aggregate.

This subdivision applies regardless of whether a contract issued by a plan is with an association or a trust formed for, or sponsored by, an association to administer benefits for association members.

For purposes of this subdivision, an association formed by a merger of two or more associations after January 1, 1992, and otherwise meeting the criteria of this subdivision shall be deemed to have been in active existence on January 1, 1992, if its predecessor organizations had been in active existence on January 1, 1992, and for at least five years prior to that date and otherwise met the criteria of this subdivision.

(o) "Members of a guaranteed association" means any individual or employer meeting the association's membership criteria if that person is a member of the association and chooses to purchase health coverage through the association. At the association's discretion, it also may include employers and employees of association members, employees of employers of association members, association staff, retired members, retired employees of members, and surviving spouses and dependents of deceased members. However, if an association chooses to include these persons as members of the guaranteed association, the association shall make that election in advance of purchasing a plan contract. Health care service plans may require an association to adhere to the membership composition it selects for up to 12 months.

SEC. 98. Section 1367.5 of the Health and Safety Code, as added by Chapter 1134 of the Statutes 1992, is amended and renumbered to read:

1367.35. (a) On and after January 1, 1993, every health care service plan that covers hospital, medical, or surgical expenses on a group basis shall provide benefits for the comprehensive preventive care of children 16 years of age or younger under terms and conditions agreed upon between the group subscriber and the plan. Every plan shall communicate the availability of these benefits to all group contractholders and to all prospective group contractholders with whom they are negotiating. This section shall apply to each plan that, by rule or order of the commissioner, has been exempted from subdivision (i) of Section 1367, insofar as that section and the rules thereunder relate to the provision of the preventive health care services described in this section.

(b) For purposes of this section, benefits for the comprehensive preventive care of children shall be consistent with the Recommendations for Preventive Pediatric Health Care, as adopted by the American Academy of Pediatrics in September 1987, and provide for all of the following:

(1) Periodic physical examinations.

(2) Immunizations.

(3) Laboratory services in connection with periodic physical examinations.

SEC. 99. Article 7.5 (commencing with Section 1389.1) of Chapter 2.2 of Division 2 of the Health and Safety Code, as added by Section 3 of Chapter 1209 of the Statutes of 1993, is repealed.

SEC. 100. Section 1418.8 of the Health and Safety Code is amended to read:

1418.8. (a) If the attending physician and surgeon of a resident in a skilled nursing facility or intermediate care facility prescribes or orders a medical intervention for which informed consent is required to be obtained prior to administration of the medical intervention, but is unable to obtain informed consent because the physician and surgeon determines that the resident lacks capacity to make decisions concerning his or her health care and that there is no person with legal authority to make those decisions on behalf of the resident, the physician and surgeon shall so inform the skilled nursing facility or intermediate care facility.

(b) The attending physician and the skilled nursing facility or intermediate care facility may initiate a medical intervention that requires informed consent pursuant to subdivision (c) in accordance with acceptable standards of practice.

(c) When a resident of a skilled nursing facility or intermediate care facility has been prescribed a medical intervention by a physician and surgeon that requires informed consent and the physician has determined that the resident lacks capacity to make health care decisions and there is no person with legal authority to make those decisions on behalf of the resident, the facility shall, except as provided in subdivision (e), conduct an interdisciplinary team review of the prescribed medical intervention prior to the administration of the medical intervention. The interdisciplinary

team shall oversee the care of the resident, utilizing a team approach to assessment and care planning, and shall include the resident's attending physician, a registered professional nurse with responsibility for the resident, and other appropriate staff in disciplines as determined by the resident's needs, in accordance with applicable federal and state requirements. The review shall include all of the following:

(1) A review of the physician's assessment of the resident's condition.

(2) The reason for the proposed use of the medical intervention.

(3) The type of medical intervention to be used in the resident's care, including its probable frequency and duration.

(4) The probable impact on the resident's condition, with and without the use of the medical intervention.

(5) Reasonable alternative medical interventions considered or utilized, and reasons for their discontinuance or inappropriateness.

(d) The interdisciplinary team periodically shall evaluate the use of the prescribed medical intervention at least quarterly or upon a significant change in the resident's medical condition.

(e) In case of an emergency, after obtaining a physician and surgeon's order as necessary, a skilled nursing or intermediate care facility may administer a medical intervention that requires informed consent prior to the convening by the facility of an interdisciplinary team review.

(f) Physicians, surgeons, skilled nursing facilities, and intermediate care facilities shall not be required to obtain a court order pursuant to Section 3201 of the Probate Code prior to administering a medical intervention that requires informed consent if the requirements of this section are met.

(g) Nothing in this section shall in any way affect the right of a resident of a skilled nursing facility or intermediate care facility for whom medical intervention has been prescribed, ordered, or administered pursuant to this section to seek appropriate judicial relief to review the decision to provide the medical intervention.

(h) No physician or other health care provider whose action under this section is in accordance with reasonable medical standards is subject to administrative sanction if the physician or health care provider believes in good faith that the action is consistent with this section and the desires of the resident or, if unknown, the best interests of the resident.

(i) This section shall remain in effect only until January 1, 1995, and as of that date is repealed, unless a later enacted statute, which is enacted before January 1, 1995, deletes or extends that date.

SEC. 101. Section 1562.5 of the Health and Safety Code is amended to read:

1562.5. (a) The director shall ensure that, within six months after obtaining licensure, an administrator of an adult residential facility and a program director of a social rehabilitation facility shall receive four hours of training on the needs of residents who may be infected

with the human immunodeficiency virus (HIV), and on basic information about tuberculosis. Administrators and program directors shall attend update training sessions every two years after satisfactorily completing the initial training to ensure that information received on HIV and tuberculosis remains current. The training shall consist of three hours on HIV and one hour on tuberculosis.

(b) The training shall consist of all of the following:

(1) Universal blood and body fluid precautions.

(2) Basic AIDS and HIV information, including modes of transmission.

(3) Legal protections for persons with HIV or AIDS.

(4) Referral information to local government, community-based, and other organizations that provide social, support, or health services and social services to people with HIV or AIDS.

(5) Information about the residential care needs of people living with HIV or AIDS, including nutritional needs.

(6) Recognition of the signs and symptoms of tuberculosis.

(7) Tuberculosis testing requirements for staff, volunteers, and residents.

(8) Tuberculosis prevention.

(9) Tuberculosis treatment.

(c) The department shall ensure compliance with this section. In the event of noncompliance, the director shall develop and implement a plan of correction requiring that the training take place within six months of the violation.

(d) All administrators of adult residential and program directors of social rehabilitation facilities licensed on or before January 1, 1994, shall complete the training by December 31, 1994, and every two years thereafter. Newly employed administrators and program directors shall complete training within six months after commencing employment.

(e) Eligible providers of training and study courses shall be limited to any of the following:

(1) County and city health departments.

(2) American Lung Association affiliates.

(3) Any agency with a contract to provide HIV, AIDS, or tuberculosis education with either the State Department of Health Services, or the federal Centers for Disease Control.

(4) The California Association of AIDS Agencies.

(5) Any providers approved by the State Department of Social Services for training of personnel employed in residential care facilities for the elderly, adult residential facilities, or residential care facilities for the chronically ill.

(f) Providers shall use HIV, AIDS, and tuberculosis materials produced, approved, or distributed by any of the following:

(1) The federal Centers for Disease Control.

(2) The American Lung Association.

(3) The University of California.

- (4) The California Association of AIDS Agencies.
- (5) The California AIDS Clearinghouse.
- (6) County and city health departments.

(g) In the event that an administrator or program director demonstrates to the department a significant difficulty in accessing training, the administrators and program directors of these facilities shall have the option of fulfilling these training requirements through a study course consisting of written and/or video educational materials.

(h) Successful completion of the training or study course by administrators and program directors and the biannual update described in this section shall be verified with the department during the annual review of the facility pursuant to subdivision (a) of Section 1534. Trained administrators and program directors shall disseminate the HIV, AIDS, and tuberculosis materials to facility personnel.

SEC. 102. Section 1569.694 of the Health and Safety Code is amended to read:

1569.694. (a) The department shall report its findings and recommendations to the Legislature by January 1, 1993. The recommendations shall include whether to allow secured or locked residential care facilities for the elderly throughout the state and, if so, the method or methods of security to be allowed, admission and retention criteria for residents who can be placed in secure residential care facilities for the elderly, any limits on the size of the facilities that may be secured, staffing standards, training and qualifications of staff, and program content.

The department also shall report on the success of the model projects by measuring all of the following:

(1) The extent to which the three model project sites with a secured perimeter provide an environment that minimizes acting out or other inappropriate behavior compared with the other model project sites.

(2) The extent to which the use of a secured perimeter environment results in a decrease or elimination of the use of behavioral medication traditionally used to treat residents with dementia compared to the other model project sites.

(3) The extent to which the number of incidents of wandering in the model project sites having a secured perimeter differs from the number of those incidents in model project sites using door alarms, wrist bands, or other similar devices, and the extent to which staff time is diverted from direct care.

(b) After the release of the report described under subdivision (a), the Health and Welfare Agency shall, by January 1, 1995, convene an advisory group that may be comprised of, but is not limited to, representatives of provider organizations, advocates, the Department of Aging, the State Department of Social Services, the Office of the State Long Term Care Ombudsman, and the Alzheimer's Association. Based on the report described under

subdivision (a) and other relevant information, the advisory group shall recommend, as appropriate, specific standards for a secured perimeter program.

SEC. 103. Section 1596.803 of the Health and Safety Code, as added by Section 10 of Chapter 709 of the Statutes of 1992, is repealed.

SEC. 104. Section 10284 of the Health and Safety Code is amended to read:

10284. The State Department of Health Services shall report to the Legislature on or before January 1, 1994, on the implementation of this article. The state department also shall report to the Legislature, on or before four years after the date that the initial funding is received to implement this article, on the results of the study required by this article.

SEC. 105. Section 10325 of the Health and Safety Code is amended to read:

10325. Each marriage that is performed shall be registered by the person performing the ceremony as provided by Chapter 2 (commencing with Section 420) of Part 3 of Division 3 of the Family Code.

SEC. 106. Section 11366.8 of the Health and Safety Code is amended to read:

11366.8. (a) Every person who possesses, uses, or controls a false compartment with the intent to store, conceal, smuggle, or transport a controlled substance within the false compartment shall be punished by imprisonment in a county jail for a term of imprisonment not to exceed one year or in the state prison.

(b) Every person who designs, constructs, builds, alters, or fabricates a false compartment for, or installs or attaches a false compartment to, a vehicle with the intent to store, conceal, smuggle, or transport a controlled substance shall be punished by imprisonment in the state prison for 16 months or two or three years.

(c) The term "vehicle" means any of the following vehicles without regard to whether the vehicles are private or commercial, including, but not limited to, cars, trucks, buses, aircraft, boats, ships, yachts, and vessels.

(d) The term "false compartment" means any box, container, space, or enclosure that is intended for use or designed for use to conceal, hide, or otherwise prevent discovery of any controlled substance within or attached to a vehicle, including, but not limited to, any of the following:

(1) False, altered, or modified fuel tanks.

(2) Original factory equipment of a vehicle that is modified, altered, or changed.

(3) Compartment, space, or box that is added to, or fabricated, made, or created from, existing compartments, spaces, or boxes within a vehicle.

SEC. 107. Section 17922.1 of the Health and Safety Code, as added by Chapter 346 of the Statutes of 1992, is amended and renumbered

to read:

17922.2. (a) Notwithstanding any other provisions of this part, the building standards in Appendix Chapter 1 of the Uniform Code for Building Conservation of the International Conference of Building Officials, as published in the California Building Standards Code, do not apply to a local jurisdiction that adopted, on or before January 1, 1993, a program for mitigation of potentially hazardous buildings, provided that a proposed ordinance containing standards to strengthen buildings prescribed pursuant to subdivision (b) of Section 8875.2 of the Government Code was introduced on or before July 27, 1992.

(b) For all ordinances and programs adopted on or before January 1, 1993, that do not meet the conditions of subdivision (a), standards to strengthen buildings shall conform to the requirements of Appendix Chapter 1 of the Uniform Code for Building Conservation of the International Conference of Building Officials, except as to requirements found by local ordinance to be inapplicable based on local conditions.

(c) Ordinances and programs adopted pursuant to this section shall be presumed conclusively to comply with the requirements of Chapter 173 of the Statutes of 1991.

SEC. 108. Section 25159.18 of the Health and Safety Code is amended to read:

25159.18. Any person who applies to the department for a hazardous waste facilities permit, or for the renewal or revision of a hazardous waste facilities permit, for the discharge of hazardous wastes into an injection well, including any proposed injection well, shall submit a hydrogeological assessment report to the department and to the appropriate regional board six months before making that application. A qualified person shall be responsible for the preparation of the report and shall certify its completeness and accuracy. The department shall not approve the report unless the department finds that the report is current, accurate, and complete, and that no hazardous waste constituents have migrated from the portion of the injection well located above the injection zone or have migrated from the injection zone. The report shall be accompanied by the fee established pursuant to Section 25159.19. The report shall contain, for each injection well, including any proposed injection well, any information required by the department, and all of the following information:

(a) A description of the injection well, including all of the following:

- (1) Physical characteristics.
- (2) A log of construction activities, including dates and methods used.
- (3) A description of materials used in the injection well, including tubing, casing, packers, seals, and grout.
- (4) Design specifications and a drawing of the well as completed.
- (5) An analysis of the chemical and physical compatibility of the

materials used with the wastes injected.

(6) Annulus fluid composition, level, and pressure at the time of well completion through the present time.

(b) A description of both of the following:

(1) The volume, temperature, pH, and radiological characteristics, and composition of hazardous waste constituents placed in the well, based on a statistically significant representative chemical analysis of each specific hazardous waste type, so that any variations in hazardous waste constituents over time are documented.

(2) The pressure and rate at which fluid is injected into the well.

(c) A map showing the distances, within the facility, to the nearest surface water bodies and springs, and the distances, within three miles from the facility's perimeter, to the nearest surface water bodies and springs.

(d) Tabular data from each surface water body and spring shown on the map specified in subdivision (c), within one mile from the facility's perimeter, which indicate its flow and a representative water analysis. The report shall include an evaluation and characterization of seasonal changes and, if substantive changes occur from season to season, the tabular data shall reflect these seasonal changes.

(e) A map showing the location of all existing and abandoned wells, dry holes, mines, and quarries within the facility and within three miles of the facility's perimeter. The report shall include, for each well shown on the map, a description of the present use of the well, a representative water analysis from any existing wells, any known physical characteristics, and a determination as to whether the well, if abandoned, has been closed in accordance with standards at least as stringent as those set forth in the Department of Water Resources Bulletin No. 74-81, or, if the well is an oil or gas well, in accordance with standards at least as stringent as the regulations of the Division of Oil and Gas. The report also shall include, when possible, the water well driller's report or well log.

(f) A map showing the structural geology and stratigraphy within three miles of the facility's perimeter that can influence the direction of the groundwater flow or the movement of the discharged wastes. The report shall include a description of folds, domes, basins, faults, seismic activity, fractures, and joint patterns, and a geologic cross section and general description of the subsurface rock units, including stratigraphic position, lithology, thickness, and areal distribution.

(g) An analysis for all of the following:

(1) The vertical and lateral extent of any water-bearing strata that could be affected by leakage from the injection well.

(2) The vertical and lateral extent of any strata through which the well is drilled.

(3) The vertical and lateral limits of the confining beds above, below, and adjacent to, the injection well.

(h) The analysis specified in subdivision (g) shall include all of the following:

(1) A map and cross section of all hydrogeologic units.

(2) Maps showing contours of equal elevation of the water surface for perched water, unconfined water, and confined groundwater required to be analyzed by this subdivision.

(3) An estimate of the flow, and flow direction, of the water in all water-bearing formations shown on both the maps and the subsurface geologic cross sections.

(4) An estimate of the transmissivity, permeability, porosity, and storage coefficient for each perched zone of water and water-bearing formations identified on the maps specified in paragraph (1).

(5) A determination of the water quality of each zone of the water-bearing formations and perched water that is identified on the maps specified in paragraph (1) and is under, or above and adjacent to, the well. This determination shall be conducted by taking samples either upgradient of the injection well or from another location that has not been affected by leakage from the injection well.

(i) A determination as to whether the groundwater is contiguous with regional bodies of groundwater and the depth measured from the injection zone and well casing to the groundwater, including the depth measured to perched water and water-bearing strata identified on the maps specified in subdivision (h).

(j) All of the following information for the receiving formation:

(1) A description of the chemical and physical properties of the receiving formation, including its lithology, thickness, composition, structure, porosity, storage capacity, permeability, compressibility, density, subsurface stress, vertical and lateral continuity and extent, fluid temperature, pressure, composition, and the measurement of the minimum pressure that would fracture the receiving formation.

(2) The effect of the injection pressure on the receiving formation.

(3) The geologic stability and long-term integrity of the receiving formation.

(4) An assessment of compatibility of waste, formation fluids, and formation lithology. This shall include a description of short-range and long-range changes anticipated in the physical and chemical state of the receiving formation in its fluids through chemical reaction and interaction with injection fluids.

(k) All of the following information for the confining zone:

(1) A description of its chemical and physical properties, including its age, composition, thickness, vertical and lateral continuity, unconformities, permeability, transmissivity, compressibility, porosity, density, and subsurface stress.

(2) The minimum amount of pressure that would fracture the confining zone, calculated specifically for the particular confining zone, a description of the number and types of existing fractures, faults, and cavities, and an analysis as to whether fractures were created or enlarged by past injection of wastes.

(3) The geologic stability and long-term integrity of the confining zone.

(4) Anticipated short-range and long-range changes in the physical state of the confining zone through chemical reaction and interaction with injection fluids.

(5) An estimate of the rate of migration of the hazardous waste constituents through the confining zone.

(l) A geologic cross section and description of the composition of each stratum through which the injection well is drilled. This description shall include a physical, chemical, and hydrogeological characterization of both the consolidated and unconsolidated rock material, including lithology, mineralogy, texture, bedding, thickness, and permeability. It shall also include an analysis for pollutants, including those constituents discharged into the injection well. The report shall arrange all monitoring data in a tabular form so that the dates, the constituents, and the concentrations are readily discernible.

(m) A description of surface facilities, including, but not limited to, pressure gauges, automatic shutoff devices, alarms, fencing, specifications for valves and pipe fittings, and operator training and requirements.

(n) A description of contingency plans for well failures and shutdowns to prevent migration of contaminants from the well.

(o) A description of the monitoring being conducted to detect migration of hazardous waste constituents, including the number and positioning of the monitoring wells, the monitoring wells' distances from the injection well, the monitoring wells' design data, the monitoring wells' installation, the monitoring development procedures, the sampling and analytical methodologies, the sampling frequency, and the chemical constituents analyzed. The design data of the monitoring wells shall include the monitoring wells' depth, the monitoring wells' diameters, the monitoring wells' casing materials, the perforated intervals within the well, the size of the perforations, the gradation of the filter pack, and the extent of the wells' annular seals.

(p) Documentation demonstrating that the monitoring system and methods used at the facility can detect any seepage, including any leaks, cracks, or malfunctions in the well or a breach of the confining zone, before the hazardous waste constituents migrate from the well above the injection zone or from the confining zone. This documentation shall include, but is not limited to, substantiation of all of the following:

(1) The monitoring system is effective enough, and includes a sufficient number of monitoring wells in the major water-bearing zones, which are located close enough to the injection well casing and to the injection zone, to verify that no lateral and vertical migration of any constituents discharged into the well is occurring outside of the injection zone.

(2) Monitoring wells are not located within the influence of any

adjacent pumping wells that might impair their effectiveness.

(3) Monitoring wells are only screened in the aquifer to be monitored and are monitored for both pressure and water quality.

(4) The chosen casing material does not adversely react with the potential contaminants of major concern at the facility.

(5) The casing diameter allows an adequate amount of water to be removed during sampling and allows full development of the monitor well.

(6) Monitoring wells are constructed so as not to provide potential conduits for migration of pollution, and the wells' construction features, including annular seals, prevent pollutants from migrating up or down the monitoring well.

(7) The methods of water sample collection require that the samples are transported and handled in accordance with the United States Geological Survey's "National Handbook of Recommended Methods for Water-Data Acquisition," which provides guidelines for collection and analysis of groundwater samples for selected unstable constituents and any additional procedures specified by the department. For all monitoring wells, except those extending into the injection zone, the sample shall be collected after at least five well volumes have been removed from the well.

(8) The hazardous waste constituents selected for analysis are specific to the facility, taking into account the chemical composition of hazardous wastes previously discharged into the injection well. The monitoring data shall be arranged in tabular form so that the date, the constituents, and the concentrations are readily discernible.

(9) The frequency of monitoring is sufficient to give timely warning of migration of hazardous waste constituents so that remedial action can be taken prior to any adverse changes in the quality of the groundwater.

(10) A written statement from the qualified person preparing the report indicating whether any constituents have migrated into the surface water bodies or any strata outside the injection zone, including water-bearing strata.

(11) A written statement from the qualified person preparing the report indicating whether any migration of hazardous waste constituents into surface water bodies or any strata outside the injection zone, including water-bearing strata, is likely or not likely to occur within five years, and any evidence supporting that statement.

(q) This section applies only to injection wells into which hazardous waste is discharged.

SEC. 109. Section 25187 of the Health and Safety Code is amended to read:

25187. (a) (1) Whenever the department, a local health officer authorized pursuant to Section 25187.7, or a local public officer designated by the director pursuant to subdivision (a) of Section 25180 and authorized pursuant to Section 25187.7 determines that any person has violated, is in violation of, or threatens, as defined in

subdivision (e) of Section 13304 of the Water Code, to violate, this chapter, Chapter 6.8 (commencing with Section 25300), or Article 3 (commencing with Section 25810) of Chapter 7.6, of this division, or any permit, rule, regulation, standard, or requirement issued or adopted pursuant to this chapter, Chapter 6.8 (commencing with Section 25300), or Article 3 (commencing with Section 25810) of Chapter 7.6, of this division, or the department, an authorized local health officer, or an authorized local public officer determines that there is or has been a release, as defined in Chapter 6.8 (commencing with Section 25300), of hazardous waste or constituents into the environment from a hazardous waste facility, the department, authorized local health officer, or authorized local public officer may issue an order specifying a schedule for compliance or correction and imposing an administrative penalty for any violation of this chapter or any permit, rule, regulation, standard, or requirement issued or adopted pursuant to this chapter.

(2) An order issued pursuant to this section shall include a requirement that the person take corrective action with respect to hazardous waste, including the cleanup of the hazardous waste, abatement of the effects thereof, and any other necessary remedial action. An order issued pursuant to this section that requires corrective action at a hazardous waste facility shall require that corrective action be taken beyond the facility boundary, where necessary to protect human health or the environment. The order shall incorporate, as a condition of the order, any applicable waste discharge requirements issued by the State Water Resources Control Board or a California regional water quality control board, and shall be consistent with all applicable water quality control plans adopted pursuant to Section 13170 of the Water Code and Article 3 (commencing with Section 13240) of Chapter 4 of Division 7 of the Water Code and state policies for water quality control adopted pursuant to Article 3 (commencing with Section 13140) of Chapter 3 of Division 7 of the Water Code existing at the time of the issuance of the order, to the extent that the department, authorized local health officer, or authorized local public officer determines that those plans and policies are not less stringent than this chapter and regulations adopted pursuant to this chapter. The department, authorized local health officer, or authorized local public officer also may include any more stringent requirement that the department, authorized local health officer, or authorized local public officer determines is necessary or appropriate to protect water quality. Persons who are subject to an order pursuant to this section include present and prior owners, lessees, or operators of the property where the hazardous waste is located, present or past generators, storers, treaters, transporters, disposers, and handlers of hazardous waste, and persons who arrange, or have arranged, by contract or other agreement, to store, treat, transport, dispose of, or otherwise handle hazardous waste.

(3) In an order proposing a penalty pursuant to this section, the

department shall take into consideration the nature, circumstances, extent, and gravity of the violation, the violator's past and present efforts to prevent, abate, or clean up conditions posing a threat to the public health or safety or the environment, the violator's ability to pay the proposed civil penalty, and the prophylactic effect that imposition of the proposed penalty would have on both the violator and the regulated community as a whole.

(b) For purposes of subdivision (a), "hazardous waste facility" includes the entire site that is under the control of an owner or operator engaged in the management of hazardous waste.

(c) Any order issued pursuant to subdivision (a) shall be served by personal service or certified mail and shall inform the person so served of the right to a hearing.

(d) (1) Any person served with an order pursuant to subdivision (c) who has been unable to resolve any violation or deficiency on an informal basis with the department, authorized local health officer, or authorized local public officer may, within 15 days after service of the order, request a hearing by filing with the department, authorized local health officer, or authorized local public officer a notice of defense. The notice shall be filed with the office that issued the order. A notice of defense shall be deemed filed within the 15-day period provided by this subdivision if it is postmarked within that 15-day period. If no notice of defense is filed within the time limits provided by this subdivision, the order shall become final.

(2) If a person served with an order pursuant to subdivision (c) chooses to resolve the content, terms, or conditions of the order directly with the department, authorized local health officer, or authorized local public officer and does not file an administrative or judicial appeal, the person may request, and the department, authorized local health officer, or authorized local public officer shall prepare, a written statement, which the department, authorized local health officer, or authorized local public officer shall amend into the order, which explains the violation and the penalties applied, including the nature, extent, and gravity of the violations, and which includes a brief description of any mitigating circumstances and any explanations by the respondent. Any amendment to include the written statement prepared pursuant to this subdivision does not constitute a new order and does not create new appeal rights.

(e) Except as provided in subdivision (f), any hearing requested under subdivision (d) shall be conducted within 90 days after receipt of the notice of defense by an administrative law judge of the Office of Administrative Hearings of the Department of General Services in accordance with Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code, and the department shall have all the authority granted to an agency by those provisions.

(f) Any provision of an order issued under subdivision (a), except the imposition of an administrative penalty, shall take effect upon issuance by the department if the department finds that the violation

or violations of law associated with that provision may pose an imminent and substantial endangerment to the public health or safety or the environment, and a request for a hearing shall not stay the effect of that provision of the order pending a decision by the department under subdivision (e). However, in the event that the department determines that any or all provisions of the order are so related that the public health or safety or the environment can be protected only by immediate compliance with the order as a whole, then the order as a whole, except the imposition of an administrative penalty, shall take effect upon issuance by the department. A request for a hearing shall not stay the effect of the order as a whole pending a decision by the hearing officer under subdivision (e). Any order issued after a hearing requested under subdivision (d) shall take effect upon issuance by the department.

(g) A decision issued pursuant to this section may be reviewed by the court pursuant to Section 11523 of the Government Code. In all proceedings pursuant to this subdivision, the court shall uphold the decision of the department if the decision is based upon substantial evidence in the whole record. The filing of a petition for writ of mandate shall not stay any corrective action required pursuant to this chapter or the accrual of any penalties assessed pursuant to this chapter. This subdivision does not prohibit the court from granting any appropriate relief within its jurisdiction.

(h) Except as otherwise provided in subdivisions (i) and (j), all administrative penalties collected under this section shall be placed in a separate subaccount in the Hazardous Waste Control Account and shall be available for expenditure by the department only upon appropriation by the Legislature.

(i) Fifty percent of the penalties collected from actions brought by local health officers or designated local public officers pursuant to this section shall be paid to the city or county whose local health officer or designated local public officer imposed the penalty, and shall be deposited into a special account that may be expended to fund the activities of the local health officer or designated local public officer in enforcing this chapter pursuant to Section 25180, after the director determines that the local agency enforcement of this section is fair and reasonable.

(j) Fifty percent of the penalties collected from actions brought by local health officers or designated local public officers pursuant to this section shall be paid to the department and deposited in the Hazardous Waste Control Account for expenditure by the department, upon appropriation by the Legislature, in connection with activities of local health officers or designated local public officers.

SEC. 110. Section 25200.1.5 of the Health and Safety Code is amended to read:

25200.1.5. (a) The department may establish an administrative process to certify hazardous waste environmental technologies that it determines will not pose a significant potential hazard to the public

health and safety or to the environment if they are used under specified operating conditions and can be operated without specialized training and with minimal maintenance. Hazardous waste environmental technologies that may be certified include, but are not limited to, hazardous waste management technologies, site mitigation technologies, and waste minimization and pollution prevention technologies. The certification process shall not be used for hazardous waste incineration technologies. The certification shall include all of the following:

(1) A statement of the technical specifications applicable to the technology.

(2) A determination of the composition of the hazardous wastes or chemical constituents for which the technology can appropriately be used.

(3) An estimate of the efficacy and efficiency of the technology in regard to the hazardous wastes or chemical constituents for which it is certified.

(4) A specification of the minimal operational standards that the technology is required to meet to ensure that the certified technology is managed properly and used safely.

(b) An applicant for certification of a hazardous waste environmental technology shall provide the department with any information required by the department to make a determination on the application for certification.

(c) The department's proposed decision on an application for certification of a hazardous waste environmental technology shall be published in the California Regulatory Notice Register and shall be subject to a 30-day comment period. The department's final decision on an application for certification of a hazardous waste environmental technology shall become effective not sooner than 30 days after publication of the final decision in the California Regulatory Notice Register.

(d) The department may decertify a hazardous waste environmental technology if it determines, on the basis of any information, that the hazardous waste environmental technology may pose a significant potential hazard to the public health and safety or to the environment. The department may decertify a hazardous waste environmental technology in accordance with the procedure set forth in subdivision (c).

(e) The department's decision on an application for certification under this section is exempt from the requirements of Chapter 3.5 (commencing with Section 11340), Chapter 4 (commencing with Section 11370), and Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code, and shall not be subject to the review and approval of the Office of Administrative Law.

(f) Based on the determination made by the department pursuant to subdivision (a), other local and state government permitting authorities may take this certification process into consideration

when making their permitting decisions.

(g) (1) The department shall place appropriate conditions on any certification granted pursuant to this section. Those conditions may include, but are not limited to, all of the following:

(A) Limits on the types, volume, and concentration of waste streams that may be employed with the technology.

(B) Operating requirements.

(C) Monitoring requirements.

(2) Any technology certified by the department pursuant to this section may be eligible for authorization pursuant to permit-by-rule or conditional authorization pursuant to Section 25201.5, or conditional exemption pursuant to Section 25200.3, only if the department determines that the use of that technology to handle the waste stream or streams is demonstrated to be as safe and as effective as the processes that are subject to regulation pursuant to permit-by-rule or conditional authorization pursuant to Section 25201.5 or conditional exemption pursuant to Section 25200.3. A certified technology determined to be eligible for authorization pursuant to permit-by-rule shall, in addition to any conditions placed on the certification pursuant to paragraph (1), operate in accordance with all conditions of the certification and permit-by-rule.

(h) The department shall charge fees to review and certify environmental technologies pursuant to this section that are sufficient to recover the actual costs of the department in reviewing and approving the technology.

(i) The department shall implement a program to continually monitor and oversee manufacturers and users of technologies certified pursuant to this section, in order to ensure that the certified technologies are operating in a manner that is not hazardous to human health and safety or to the environment.

(j) The department shall adopt regulations to implement the certification process.

SEC. 111. Section 25201.5 of the Health and Safety Code is amended to read:

25201.5. (a) Notwithstanding any other provision of law, a hazardous waste facility permit is not required for a generator who treats hazardous waste of a total weight of not more than 500 pounds, or a total volume of not more than 55 gallons, in any calendar month, if both of the following conditions are met:

(1) The hazardous waste is not an extremely hazardous waste and is listed in Section 67450.11 of Title 22 of the California Code of Regulations, as in effect on January 1, 1992, as eligible for treatment pursuant to the regulations adopted by the department for operation under a permit-by-rule, and the treatment technology used is approved for that waste stream in Section 67450.11 of Title 22 of the California Code of Regulations for treatment under a permit-by-rule.

(2) The generator is not otherwise required to obtain a hazardous waste facility permit or other grant of authorization for any other hazardous waste management activity at the facility.

(b) Notwithstanding any other provision of law, treatment in the following units is ineligible for exemption pursuant to subdivision (a) or (c):

- (1) Landfills.
- (2) Surface impoundments.
- (3) Injection wells.
- (4) Waste piles.
- (5) Land treatment units.
- (6) Thermal destruction units.

(c) Notwithstanding any other provision of law, a hazardous waste facility permit or other grant of authorization is not required to conduct the following treatment activities, if the generator treats the following hazardous waste streams using the treatment technology required by this subdivision:

(1) The generator treats resins mixed in accordance with the manufacturer's instructions.

(2) The generator treats a container having a capacity of 110 gallons or less, which is not constructed of wood, paper, cardboard, fabric, or any similar absorptive material, for the purposes of emptying the container as specified by Section 66261.7 of Title 22 of the California Code of Regulations, as revised July 1, 1990, or treats the inner liners removed from empty containers that once held hazardous waste or hazardous material. The generator shall treat the container or inner liner by using the following technologies, if the treated containers and rinseate are managed in compliance with the applicable requirements of this chapter:

(A) The generator rinses the container or inner liner with a suitable liquid capable of dissolving or removing the hazardous constituents that the container held.

(B) The generator uses physical processes, such as crushing, shredding, grinding, or puncturing, that change only the physical properties of the container or inner liner, if the container or inner liner is first rinsed as provided in subparagraph (A) and the rinseate is removed from the container or inner liner.

(3) The generator conducts drying by pressing or by passive or heat-aided evaporation to remove water from wastes classified as special wastes by the department pursuant to Section 66261.124 of Title 22 of the California Code of Regulations.

(4) The generator conducts magnetic separation or screening to remove components from wastes classified as special wastes by the department pursuant to Section 66261.124 of Title 22 of the California Code of Regulations.

(5) The generator neutralizes wastes that are hazardous solely due to corrosivity or toxicity that results only from the acidic or alkaline material, in elementary neutralization units, as defined in Section 66260.10 of Title 22 of the California Code of Regulations, if the wastes result solely from the regeneration of ion exchange media used to demineralize water, do not contain more than 10 percent acid or base concentration by weight, and are treated in vessels and

pipng constructed of materials compatible with the range of temperatures and pH levels, and subject to appropriate pH and temperature controls.

(6) The generator neutralizes acidic wastes that are hazardous solely due to corrosivity resulting from the presence of food or food by-products, and alkaline or acidic waste, other than wastes containing nitric acid, at SIC Code Group 20, food and kindred product facilities, as defined in subdivision (p) of Section 25501, if both of the following conditions are met:

(A) The neutralization process does not result in the emission of volatile hazardous waste constituents or toxic air contaminants.

(B) The neutralization process is required in order to meet discharge or other regulatory requirements.

(7) The generator processes effluent hazardous waste for disposal from the processing of silver halide-based imaging products, if all of the following conditions are met:

(A) The effluent is a hazardous waste solely due to its silver content.

(B) The effluent is treated within 90 days of its generation.

(C) The effluent is treated in a tank or container.

(D) The total influent hazardous waste stream treated does not exceed 500 gallons in any calendar month.

(E) The effluent is treated with a technology or combination of technologies that recover the silver to a level less than 5 mg/l total silver in the final waste water discharge, or a lower level as may be set by the local publicly owned treatment works.

(8) Except as provided for specific waste streams in Section 25200.3, the generator conducts the separation by gravity of the following, if the activity is conducted in impervious tanks or containers constructed of noncorrosive materials, the activity does not involve the addition of heat or other form of treatment, or the addition of chemicals other than flocculants and demulsifiers, and the activity is managed in compliance with applicable requirements of federal, state, or local agency or treatment works:

(A) The settling of solids from waste where the resulting aqueous stream is not hazardous.

(B) The separation of oil and water mixtures and separation sludges, if the average oil recovered per month is less than 25 barrels.

(9) The generator is a laboratory that is certified by the State Department of Health Services or operated by an educational institution, and treats waste water that is generated onsite solely as a result of analytical testing, or is a laboratory that treats less than one gallon of hazardous waste, generated onsite, in any single batch, subject to the following conditions:

(A) The waste water treated is hazardous solely due to corrosivity or toxicity that results only from the acidic or alkaline material, as defined in Section 66260.10 of Title 22 of the California Code of Regulations, or is excluded from the definition of hazardous waste by subparagraph (E) of paragraph (2) of subsection (a) of Section

66261.3 of Title 22 of the California Code of Regulations, or both.

(B) The treatment meets the following requirements, in addition to all other requirements of this section:

(i) The treatment complies with all applicable pretreatment requirements.

(ii) Neutralization occurs in elementary neutralization units, as defined in Section 66260.10 of Title 22 of the California Code of Regulations; wastes to be neutralized do not contain any more than 10 percent acid or base concentration by weight, or any other concentration limit that may be imposed by the department; and vessels and piping for neutralization are constructed of materials compatible with the range of temperatures and pH levels, and subject to appropriate pH temperature controls.

(iii) Treatment does not result in the emission of volatile hazardous waste constituents or toxic air contaminants.

(10) The hazardous waste treatment is carried out in a quality control or quality assurance laboratory at a facility that is not an offsite hazardous waste facility and the treatment activity otherwise meets the requirements of paragraph (1) of subdivision (a).

(11) Any wastestream technology combination certified by the department, pursuant to Section 25200.1.5, as suitable for authorization pursuant to this section, that operates pursuant to the conditions imposed on that certification.

(d) A generator conducting treatment pursuant to subdivision (a) or (c) shall meet all of the following conditions:

(1) The waste being treated is generated onsite, and a residual material from the treatment of a hazardous waste generated offsite is not a waste that has been generated onsite.

(2) The treatment does not require a hazardous waste facilities permit pursuant to the federal act.

(3) The generator prepares and maintains written operating instructions and a record of the dates, amounts, and types of waste treated.

(4) The generator prepares and maintains a written inspection schedule and log of inspections conducted.

(5) The records specified in paragraphs (3) and (4) are maintained onsite for a period of three years.

(6) The generator maintains adequate records to demonstrate that it is in compliance with all applicable pretreatment standards and with all applicable industrial waste discharge requirements issued by the agency operating the publicly owned treatment works into which the wastes are discharged.

(7) (A) The generator submits a notification to the department and to the local health officer or other local public officer authorized to implement this chapter pursuant to Section 25180 on or before April 1, 1993, or, if the generator is commencing the first treatment of waste pursuant to this section, not more than 60 days before commencing treatment of that waste pursuant to this section. The notification shall be completed, dated, and signed in accordance with

the requirements of Section 66270.11 of Title 22 of the California Code of Regulations, as those requirements apply to permit applications, shall be on a form prescribed by the department, and shall include, but not be limited to, all of the following information:

(i) The name, identification number, site address, mailing address, and telephone number of the generator to whom the conditional exemption applies.

(ii) A description of the physical characteristics and chemical composition of the hazardous waste to which the conditional exemption applies.

(iii) A description of the hazardous waste treatment activity to which the conditional exemption applies, including, but not limited to, the basis for determining that a hazardous waste permit is not required under the federal act.

(iv) A description of the characteristics and management of any treatment residuals.

(B) The development and publication of the notification form specified in subparagraph (A) is not subject to Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code. The department shall hold at least one public workshop concerning the development of the notification form.

(C) Any notification submitted pursuant to this paragraph shall supersede any prior notice of intent submitted by the same generator in order to obtain a permit-by-rule under the regulations adopted by the department. This subparagraph does not require the department to refund any fees paid for any application in conjunction with the submission of a notice of intent for a permit-by-rule.

(8) (A) Upon terminating operation of any treatment process or unit exempted pursuant to this section, the generator who conducted the treatment shall remove or decontaminate all waste residues, containment system components, soils, and other structures or equipment contaminated with hazardous waste from the unit. The removal of the unit from service shall be conducted in a manner that does both of the following:

(i) Minimizes the need for further maintenance.

(ii) Eliminates the escape of hazardous waste, hazardous constituents, leachate, contaminated runoff, or waste decomposition products to the environment after the treatment process is no longer in operation.

(B) Any owner or operator who permanently ceases operation of a treatment process or unit that is conditionally exempted pursuant to this section shall provide written notification to the department and to the local health officer or other local public officer designated by the director pursuant to Section 25180 upon completion of all activities required under this subdivision.

(9) The waste is managed in accordance with all applicable requirements for generators of hazardous waste under this chapter

and the regulations adopted by the department pursuant to this chapter.

(10) The generator submits a fee in the amount required by Section 25205.14. The generator shall submit that fee within 30 days after the date that the fee is assessed by the State Board of Equalization, in the manner specified by Section 43152.10 of the Revenue and Taxation Code.

(11) Notwithstanding any other provision of law, the generator shall submit the fee required by Section 25205.14 for the 1993 reporting period to the department as part of, and at the same time as, the notification required pursuant to paragraph (7) that is due on April 1, 1993. Any notification not accompanied by payment of the fee is invalid and shall not result in a grant of conditional exemption.

(e) (1) Unless otherwise required by federal law, ancillary equipment for a tank or container treating hazardous wastes solely pursuant to this section is not subject to Section 66265.193 of Title 22 of the California Code of Regulations if the ancillary equipment's integrity is attested to pursuant to Section 62265.191 of Title 22 of the California Code of Regulations every two years from the date that retrofitting requirements would otherwise apply.

(2) The Legislature hereby finds and declares that, in the case of underground, gravity-pressured sewer systems, integrity testing often is not feasible. Therefore, on or before June 30, 1994, the department shall, by regulation, determine the best feasible leak detection measures that are sufficient to ensure that underground gravity-pressured sewer systems, for which it is not feasible to conduct integrity testing, do not leak. On and after July 1, 1994, if it is not feasible for an operator's ancillary equipment, or a portion thereof, to undergo integrity testing, the operator is not subject to Section 66265.193 of Title 22 of the California Code of Regulations if the operator implements the best feasible leak detection measures that are determined to be sufficient by the department in those regulations, and those leak detection measures do not reveal any leaks emanating from the operator's ancillary equipment. Any ancillary equipment found to leak shall be retrofitted by the operator to meet the full secondary containment standards of Section 66265.196 of Title 22 of the California Code of Regulations.

(f) Nothing in this section shall abridge any authority granted to the department by any other provision of law to impose any further restrictions or limitations upon facilities that are subject to this section, which the department determines to be necessary to protect human health or the environment.

(g) A generator may contract with another party to provide onsite treatment in accordance with the permit exemption provisions of this section. Any person who performs onsite treatment in a transportable treatment unit pursuant to this subdivision shall comply with the standards set forth in this chapter for the same treatment units treating the same waste streams and shall be subject to any additional requirements for transportable treatment units that

are imposed by the department by regulations adopted pursuant to this section. The additional requirements may include, but shall not be limited to, a waste analysis plan, site-specific notification, financial assurances for third-party liability, operating standards, records retention, and time limits for the operation of the transportable treatment unit at a particular site.

(h) A generator conducting activities that are exempt from this chapter pursuant to Section 66261.7 of Title 22 of the California Code of Regulations, as that section read on January 1, 1993, is not required to comply with this section.

SEC. 112. Section 25201.10 of the Health and Safety Code, as added by Chapter 1117 of the Statutes of 1992, is amended and renumbered to read:

25201.11. (a) Copyright protection and all other rights and privileges provided pursuant to Title 17 of the United States Code are available to the department to the fullest extent authorized by law, and the department may sell, lease, or license for commercial or noncommercial use any work, including, but not limited to, videotapes, audiotapes, books, pamphlets, and computer software as that term is defined in Section 6254.9 of the Government Code, that the department produces whether the department is entitled to that copyright protection or not.

(b) Any royalties, fees, or compensation of any type that is paid to the department to make use of a work entitled to copyright protection shall be deposited in the Hazardous Waste Control Account.

(c) Nothing in this section is intended to limit any powers granted to the department pursuant to Section 6254.9 of the Government Code or any other provision of law.

SEC. 113. Section 25355.7 of the Health and Safety Code is amended to read:

25355.7. (a) The department and the State Water Resources Control Board concurrently shall establish policies and procedures consistent with this chapter that the department's representatives shall follow in overseeing and supervising the activities of responsible parties who are carrying out the investigation of, and taking removal or remedial actions at, hazardous substance release sites. The policies and procedures shall be consistent with the policies and procedures established pursuant to Section 13307 of the Water Code, and shall include, but are not limited to, all of the following:

(1) The procedures the department will follow in making decisions as to when a potentially responsible party may be required to undertake an investigation to determine if a hazardous substance release has occurred.

(2) Policies for carrying out a phased, step-by-step investigation to determine the nature and extent of possible soil and groundwater contamination at a site.

(3) Procedures for identifying and utilizing the most cost-effective methods for detecting contamination and carrying out

removal or remedial actions.

(4) Policies for determining reasonable schedules for investigation and removal or remedial action at a site. The policies shall recognize the dangers to public health and the environment posed by a release and the need to mitigate those dangers, while taking into account, to the extent possible, the financial and technical resources available to a responsible party.

(b) The department and the State Water Resources Control Board jointly shall review the policies and procedures that were established pursuant to this section and Section 13307 of the Water Code prior to the enactment of this subdivision, and concurrently shall revise policies and procedures as necessary to make them as consistent as possible by selecting, from those inconsistent procedures or policies, the policies or procedures that are most protective of the environment. Where they cannot be made consistent because of the differing requirements of this chapter and Division 7 (commencing with Section 13000) of the Water Code, the department and the State Water Resources Control Board shall, by July 1, 1994, jointly develop, and send to the Legislature, recommendations for revising this chapter and Division 7 (commencing with Section 13000) of the Water Code to make consistent the hazardous substance release cleanup policies and procedures followed by the department, the State Water Resources Control Board, and the California regional water quality control boards.

SEC. 114. Section 25359.3 of the Health and Safety Code, as added by Chapter 1237 of the Statutes of 1992, is amended and renumbered to read:

25359.4.5. (a) A responsible party who has entered into an agreement with the department and is in compliance with the terms of that agreement, or who is in compliance with an order issued by the department, may seek, in addition to contribution, treble damages from any contribution defendant who has failed or refused to comply with any order or agreement, was named in the order or agreement, and is subject to contribution. A contribution defendant from whom treble damages are sought in a contribution action shall not be assessed treble damages by any court where the contribution defendant, for sufficient cause, as determined by the court, failed to comply with an agreement or with an order issued by the department, or where the contribution defendant is an owner of real property who did not generate, treat, transport, store, or dispose of the hazardous substance on, in, or at the facility located on that real property, as specified in Sections 101 (35) and 107 (b) of the federal act (42 U.S.C. Secs. 9601 (35) and 9607 (b)), or where the principles of fundamental fairness would be violated, as determined by the court. A party seeking treble damages pursuant to this section shall show that the party, the department, or another entity provided notice, by means of personal service or certified mail, of the order or agreement to the contribution defendant from whom the party

seeks treble damages.

(b) One-half of any treble damages awarded pursuant to this section shall be paid to the department, for deposit in the Hazardous Substance Account. Nothing in this subdivision affects the rights of any party to seek contribution pursuant to any other statute or under common law.

(c) A contribution defendant from whom treble damages are sought pursuant to this section shall be deemed to have acted willfully with respect to the conduct that gave rise to this liability for purposes of Section 533 of the Insurance Code.

SEC. 115. Section 26569.29 of the Health and Safety Code is amended to read:

26569.29. (a) Notwithstanding any other provision of law, any producer, handler, processor, or retailer of food sold as organic immediately shall make available for inspection by the director, the Attorney General, any prosecuting attorney, any governmental agency responsible for enforcing laws related to the production or handling of food sold as organic, or the Director of Food and Agriculture any record required to be kept under this section for purposes of carrying out this article and Chapter 10 (commencing with Section 46000) of Division 17 of the Food and Agricultural Code, and, upon request, shall provide to any of those persons or agencies a copy of any such record within 72 hours after the request. Records acquired pursuant to this subdivision shall not be public records as that term is defined in Section 6252 of the Government Code and shall not be subject to Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1 of the Government Code.

(b) Upon written request of any person that establishes cause for the request, the director and the Director of Food and Agriculture shall obtain and provide to the requesting party, within 10 working days of the request, a copy of any of the following records required to be kept under this article that pertain to a specific product sold or offered for sale, and that identify substances applied, administered, or added to that product, except that financial information about an operation or transaction, information regarding the quantity of a substance administered or applied, the date of each administration or application, information regarding the identity of suppliers or customers, and the quantity or price of supplies purchased or products sold shall be removed before disclosure and shall not be released to any person other than persons and agencies authorized to acquire records under subdivision (a):

(1) Records of a producer, as described in paragraph (1) of subdivision (a) and in paragraph (3) of subdivision (b) of Section 26569.28.

(2) Records of a handler, as described in paragraphs (4) and (5) of subdivision (c) of Section 26569.28, records of previous handlers, if any, and producers, as described in paragraph (1) of subdivision (a) of, paragraph (3) of subdivision (b) of, and paragraphs (4) and (5) of subdivision (c) of, Section 26569.28, without identifying the

previous handlers or producers, and, if applicable, records obtained as required in subdivision (d).

(3) Records of a processor, as described in paragraph (4) of subdivision (d) of Section 26569.28, except for processing aids that are not residual in the product and spices and seasonings exempt from labeling requirements in Parts 145 and 146 of Title 21 of the Code of Federal Regulations, records of previous processors and handlers, if any, and producers, as described in paragraph (1) of subdivision (a) of, paragraph (3) of subdivision (b) of, paragraphs (4) and (5) of subdivision (c) of, and paragraph (4) of subdivision (d) of, Section 26569.28, without identifying the previous processors, handlers, or producers, and, if applicable, records obtained as required in subdivision (d).

(4) Records of a retailer, as described in paragraphs (4) and (5) of subdivision (e) of Section 26569.28, records of previous processors and handlers, if any, and producers, as described in paragraph (1) of subdivision (a) of, paragraph (3) of subdivision (b) of, paragraphs (4) and (5) of subdivision (c), and paragraph (4) of subdivision (d) of, Section 26569.28, without identifying the previous processors, handlers, or producers, and, if applicable, records obtained as required in subdivision (d).

This subdivision shall be the exclusive means of public access to records required to be kept by producers, processors, handlers, and retailers under this article.

(c) Information specified in subdivision (b) that is required to be released upon request shall not be considered a "trade secret" under Section 26235, Section 1060 of the Evidence Code, or the Uniform Trade Secrets Act (Title 5 (commencing with Section 3426) of Part 1 of Division 4 of the Civil Code).

(d) The director or the Director of Food and Agriculture may charge the person requesting records a reasonable fee to reimburse that officer or the source of the records for the cost of reproducing the records requested.

(e) Any person who first imports into this state, for resale, food sold as organic shall obtain and provide to the enforcement authority, upon request, proof that the products being sold have been certified by an accredited certifying organization or otherwise have been produced in compliance with this article.

(f) The director shall not be required to obtain records not in his or her possession in response to a subpoena. Prior to releasing records required to be kept pursuant to this chapter in response to a subpoena, the director shall delete any information regarding the identity of suppliers or customers and the quantity or price of supplies purchased or products sold.

(g) Subdivisions (b), (c), and (d) shall become inoperative on January 1, 1995.

SEC. 116. Section 33334.20 of the Health and Safety Code is amended to read:

33334.20. (a) Notwithstanding any other provision of law, for the

1993-94 fiscal year, a redevelopment agency to which this section applies may set aside, into the Low and Moderate Income Housing Fund established pursuant to Section 33334.3, an amount that is less than that required by subdivision (a) of Section 33334.2 or subdivision (c), (d), or (e) of Section 33334.6, provided that, in that fiscal year, the legislative body of the agency has made a finding, by resolution, that the amount deposited, when added to other public funds expended or appropriated in that fiscal year for the purposes described in subdivision (e) of Section 33334.2, is equal to or greater than the amount otherwise required to be set aside by subdivision (a) of Section 33334.2 or subdivision (c), (d), or (e) of Section 33334.6.

(b) This section applies to a redevelopment agency within a city to which all of the following apply:

(1) The city has a population of less than 100,000 according to the 1990 federal decennial census.

(2) The legislative body of the city has made a finding, by resolution, that property damage in the city during the civil unrest that occurred between April 29, 1992, and May 3, 1992, exceeded fifty million dollars (\$50,000,000).

(3) The city has adopted a housing element, pursuant to Section 65585 of the Government Code, that substantially complies with Article 10.6 (commencing with Section 65580) of Chapter 3 of Division 1 of Title 7 of the Government Code.

(c) (1) If, pursuant to subdivision (a), the agency deposits less than 20 percent of the taxes allocated to the agency pursuant to Section 33670 in the 1993-94 fiscal year in the Low and Moderate Income Housing Fund, the amount equal to the difference between 20 percent of the taxes allocated to the agency pursuant to Section 33670 for each affected project area and the amount deposited that year shall constitute a deficit of the project.

(2) The agency shall adopt a plan to eliminate the deficit in subsequent years, beginning with payments in the 1999-2000 fiscal year and completing payments by the 2003-04 fiscal year. In calculating the amount of deficit, no interest may be included. If the amount of the deficit has not been eliminated by July 1, 2004, the county auditor is directed to withhold the amount of the remaining deficit and to make the deposit into the agency's Low and Moderate Income Housing Fund.

(d) If, pursuant to subdivision (a), an agency deposits less than 20 percent of the taxes allocated to the agency pursuant to Section 33670 in the 1993-94 fiscal year in the Low and Moderate Income Housing Fund, the amount of the deficit shall be used to refinance bonds and to make payments on new bonds. The proceeds of these bonds shall be used to assist areas damaged during the civil unrest that occurred between April 29, 1992, and May 3, 1992.

SEC. 117. The heading of Chapter 4.5 (commencing with Section 33492) of Part 1 of Division 24 of the Health and Safety Code, as added by Chapter 943 of the Statutes of 1993, is repealed.

SEC. 118. Article 1 (commencing with Section 33492) of Chapter 4.5 of Part 1 of Division 24 of the Health and Safety Code, as added by Chapter 943 of the Statutes of 1993, is repealed.

SEC. 118.5. The heading of Article 2 (commencing with Section 33492.50) of Chapter 4.5 of Part 1 of Division 24 of the Health and Safety Code, as added by Chapter 942 of the Statutes of 1993, is repealed.

SEC. 119. The heading of Article 4 (commencing with Section 33492.70) is added to Chapter 4.5 of Part 1 of Division 24 of the Health and Safety Code, as added by Chapter 944 of the Statutes of 1993, to read:

Article 4. Castle Air Force Base Redevelopment Project Area

SEC. 120. Section 33492.50 of the Health and Safety Code is amended and renumbered to read:

33492.70. (a) With the enactment of this article, it is the intent of the Legislature to provide precise and specific means to mitigate the very serious economic effects of the closure of Castle Air Force Base on surrounding communities.

(b) The Legislature finds and declares all of the following:

(1) The County of Merced, with a population of 180,000, is already in a very significantly depressed condition, with an unemployment rate exceeding 18 percent, extraordinarily high costs relating to the Aid for Families with Dependent Children program, and low property tax revenues.

(2) The closure of Castle Air Force Base will result in the elimination of over 6,000 jobs, which is one in every 20 jobs in the County of Merced and a payroll loss of \$220,000,000.

(3) The impact of the closure of Castle Air Force Base will fall in an area in which 70 percent of public assistance recipients live within 10 miles of the base.

(4) This act is the result of a specific agreement between the County of Merced and affected local cities to resolve the situation created by the closure of Castle Air Force Base.

(5) The Legislature grants the temporary authorization for the Castle Joint Powers Redevelopment Agency to defer 50 percent of its Low and Moderate Income Housing Fund requirements for up to five years to allow the agency to receive a larger cash flow to help the agency pay for its initial costs. The Legislature grants this authorization only in recognition of the unusual circumstances facing the agency.

SEC. 121. Section 33492.51 of the Health and Safety Code is amended and renumbered to read:

33492.71. (a) Notwithstanding any other provision of law, there is hereby created the Castle Joint Powers Redevelopment Agency, which shall be composed of the City of Atwater, the City of Merced, and the County of Merced.

(b) The Castle Joint Powers Redevelopment Agency shall have all

the powers, authorities, and duties granted to it under Chapter 5 (commencing with Section 6500) of Division 7 of Title 1 of the Government Code and this part, except as modified by Section 33320.66 for the exclusive purpose of establishing the Castle Air Force Base project area within the unincorporated territory of the County of Merced.

SEC. 122. Section 33492.53 of the Health and Safety Code is amended and renumbered to read:

33492.73. (a) In addition to the powers of any agency, the Castle Joint Powers Redevelopment Agency also shall act as the legislative body and planning commission for all approvals and actions required and authorized by this part for the adoption and implementation of a redevelopment plan. However, all land use, planning and development decisions with regard to the land within the project area shall continue to be under the control and jurisdiction of each of the respective local legislative bodies or planning commissions, as applicable.

(b) In adopting a redevelopment project area for the area within the unincorporated territory of the County of Merced contained within the Castle Air Force Base, the following shall apply, subject to the requirements of Section 33492.13:

(1) The dollar limitation on the taxes that may be divided and allocated to the Castle Air Force Base project area shall be two hundred fifty million dollars (\$250,000,000).

(2) The limitation on the time within which the agency may commence eminent domain proceedings shall be 15 years.

(c) The Castle Joint Powers Redevelopment Agency may amend the limitations enumerated in paragraph (1) of subdivision (b) pursuant to existing law.

(d) The Castle Joint Powers Redevelopment Agency may defer up to 50 percent of its Low and Moderate Income Housing Fund requirements for the Castle Air Force Base project area for up to five years. The amount of the deferral shall be considered an indebtedness and shall be repaid to the Low and Moderate Income Housing Fund within eight years of the establishment of the Castle Air Force Base project area. If the indebtedness is not eliminated by the eighth year, the county auditor or controller shall withhold an amount equal to the indebtedness and deposit those moneys into a separate Low and Moderate Income Housing Fund for use by the Castle Joint Powers Redevelopment Agency under this section.

(e) The agency shall comply with the requirements of Chapter 16 (commencing with Section 7260) of Division 4 of Title 1 of the Government Code. In addition, if any housing occupied by persons of very low, low, or moderate income who have resided in the housing for at least two years is destroyed by redevelopment agency activities, the displaced persons shall receive relocation benefits which enable those persons to lease or rent a comparable replacement dwelling for a period not to exceed 96 months.

(f) (1) The agency shall comply with the requirements of Section

33413.

(2) In addition, if any housing occupied by persons of very low, low, or moderate income is destroyed by redevelopment agency activities, the destroyed units shall be replaced with housing, of the same or greater size, which shall be affordable in direct proportion to the income levels of the persons or households displaced by the redevelopment agency activities. This housing shall be provided simultaneously with the development for which it was destroyed.

(3) The requirements imposed by paragraph (2) shall not apply to any dormitory building that, as of January 1, 1994, was located on Castle Air Force Base.

(4) The requirements imposed by paragraph (2) shall not apply to the destruction of any housing if the vacancy rate for low-income housing within the jurisdiction of the Castle Joint Powers Redevelopment Agency, as determined by the agency, is then 6 percent or higher.

(g) Notwithstanding Section 33320.65, the Castle Joint Powers Redevelopment Agency may establish a project area and adopt and amend a redevelopment plan, as modified by subdivision (a) and other provisions of this chapter, if all of the following conditions are met:

(1) The Castle Joint Powers Redevelopment Agency makes a finding of benefit to the Castle Air Force Base project area, and the approval of the County of Merced, the City of Merced, and the City of Atwater is obtained.

(2) The project area is contained entirely in two concentric circles, such that the center of one is directly in front of the main gate and has a radius of 4.75 miles, and the center of the second is at the intersection of Yosemite Avenue and G Street in the City of Merced with a radius of 6.5 miles. At no time shall the aggregate acreage of the project areas established pursuant to this section exceed 2 percent of either city or 1 percent of the unincorporated area of the circles.

(3) The resolution adopting a survey area pursuant to Section 33310 shall be transmitted to all affected entities, including affected school districts, within 30 days of adoption. The planning commission, in formulating the preliminary plan pursuant to Section 33330, shall consult with all affected taxing entities.

(h) The Castle Joint Powers Redevelopment Agency shall not adopt a redevelopment plan pursuant to this section until the City of Atwater adopts a housing element, pursuant to Section 65585 of the Government Code, that complies substantially with the requirements of Article 10.6 (commencing with Section 65580) of Chapter 3 of Division 1 of Title 7 of the Government Code.

SEC. 123. Section 33492.55 of the Health and Safety Code is repealed.

SEC. 124. Section 33492.69 of the Health and Safety Code is amended and renumbered to read:

33492.28. As used in this chapter, "fiscal year" means a year

commencing on July 1 and ending on the next June 30.

SEC. 125. Section 33607.7 of the Health and Safety Code is amended to read:

33607.7. (a) This section applies to a redevelopment plan amendment for any redevelopment plans adopted prior to January 1, 1994, that increases the limitation on the number of dollars to be allocated to the redevelopment agency or the time limit on the establishing of loans, advances, and indebtedness established pursuant to paragraphs (1) and (2) of subdivision (a) of Section 33333.2, or that lengthens the period during which the redevelopment plan is effective if the redevelopment plan being amended contains the provisions required by subdivision (b) of Section 33670. However, this section does not apply to those redevelopment plans that add new territory.

(b) If a redevelopment agency adopts an amendment that is governed by this section, it shall pay to each affected taxing entity either of the following:

(1) If an agreement exists that requires payments to the taxing entity, the amount required to be paid by an agreement between the agency and an affected taxing entity entered into prior to January 1, 1994.

(2) If an agreement requiring those payments does not exist, the amounts required pursuant to subdivisions (b), (c), (d), and (e) of Section 33607.5, until termination of the redevelopment plan, calculated against the amount of assessed value by which the current year assessed value exceeds an adjusted base year assessed value. The amounts shall be allocated between property taxes and educational facilities according to the appropriate formula in paragraph (3) of subdivision (a) of Section 33607.5. In determining the applicable amount under Section 33607.5, the first fiscal year shall be the first fiscal year following the fiscal year in which the adjusted base year value is determined.

(c) The adjusted base year assessed value shall be the assessed value of the project area in the year in which the limitation being amended would have taken effect without the amendment or, if more than one limitation is being amended, in the first year in which one or more of the limitations would have taken effect without the amendment. The agency shall commence making these payments pursuant to the terms of the agreement, if applicable, or, if an agreement does not exist, in the first fiscal year following the fiscal year in which the adjusted base year value is determined.

SEC. 126. Section 33676 of the Health and Safety Code is amended to read:

33676. (a) Prior to the adoption by the legislative body of a redevelopment plan providing for tax-increment financing pursuant to Section 33670, any affected taxing agency may elect to be allocated, and every school district and community college district shall be allocated, in addition to the portion of taxes allocated to the affected taxing agency pursuant to subdivision (a) of Section 33670,

all or any portion of the tax revenues allocated to the agency pursuant to subdivision (b) of Section 33670 that are attributable to one or more of the following:

(1) Increases in the rate of tax imposed for the benefit of the taxing agency which levy occurs after the tax year in which the ordinance adopting the redevelopment plan becomes effective.

(2) If an agency pursuant to Section 33354.5 amends a redevelopment plan that does not utilize tax increment financing to add tax increment financing and, pursuant to subdivision (a) of Section 33670, uses the assessment roll last equalized prior to the effective date of the ordinance originally adopting the redevelopment plan, an affected taxing agency may elect to be allocated all or any portion of the tax revenues allocated to the agency pursuant to subdivision (b) of Section 33670 that the affected taxing agency would receive if the agency were to use the assessment roll last equalized prior to the effective date of the ordinance amending the redevelopment plan to add tax increment financing.

(b) (1) Any local education agency that is a basic aid district or office at the time the ordinance adopting a redevelopment plan is adopted and that receives no state funding, other than that provided pursuant to Section 6 of Article IX of the California Constitution, pursuant to Section 2558, 42238, or 84750, as appropriate, of the Education Code, shall receive annually its percentage share of the property taxes from the project area allocated among all of the affected taxing entities during the fiscal year the funds are allocated, increased by an amount equal to the lesser of the following:

(A) The percentage growth in assessed value that occurs throughout the district, excluding the portion of the district within the redevelopment project area.

(B) Eighty percent of the growth in assessed value that occurs within the portion of the district within the redevelopment project area.

(2) Subparagraphs (A) and (B) of paragraph (1) shall not apply to a redevelopment plan adopted by the legislative body of a community if both of the following occur:

(A) The median household income in the community in which the redevelopment project area is located is less than 80 percent of the median household income in the county in which the redevelopment project area is located.

(B) The preliminary plan for the redevelopment plan was adopted on or before September 1, 1993, and the redevelopment plan was adopted on or before August 1, 1994.

(3) Any local education agency that is a basic aid district or office at the time the ordinance amending a redevelopment plan is adopted pursuant to Section 33607.7 and that receives no state funding, other than that provided pursuant to Section 6 of Article IX of the California Constitution, pursuant to Section 2558, 42238, or 84750, as appropriate, of the Education Code, shall receive either of the following:

(A) If an agreement exists that requires payments to the basic aid district, the amount required to be paid by an agreement between the agency and the basic aid district entered into prior to January 1, 1994.

(B) If an agreement requiring those payments does not exist, the percentage share of the increase in property taxes from the project area allocated among all of the affected taxing entities during the fiscal year the funds in the project area are allocated, derived from 80 percent of the growth in assessed value that occurs within the portion of the district within the redevelopment project area from the year in which the amendment takes effect pursuant to subdivision (c) of Section 33607.7.

(4) The redevelopment agency shall subtract from any payments made pursuant to this section the amount that a basic aid district receives pursuant to Section 33607.5 for the purposes of either paragraph (1) of subdivision (h) of Section 42238 of the Education Code or Section 84750 of the Education Code.

(c) The governing body of any affected taxing agency, other than a school district and a community college district, electing to receive allocation of taxes pursuant to this section in addition to taxes allocated to it pursuant to subdivision (a) of Section 33670 shall adopt a resolution to that effect and transmit the same, prior to the adoption of the redevelopment plan, to (1) the legislative body, (2) the agency, and (3) the official or officials performing the functions of levying and collecting taxes for the affected taxing agency. Upon receipt by the official or officials of the resolution, allocation of taxes pursuant to this section to the affected taxing agency that has elected to receive the allocation pursuant to this section by the adoption of the resolution, and allocation of taxes pursuant to this section to every school district and community college district, shall be made at the time or times allocations are made pursuant to subdivision (a) of Section 33670.

(d) An affected taxing agency, at any time after the adoption of the resolution, may elect not to receive all or any portion of the additional allocation of taxes pursuant to this section by rescinding the resolution or by amending the same, as the case may be, and giving notice thereof to the legislative body, the agency, and the official or officials performing the functions of levying and collecting taxes for the affected taxing agency. After receipt of a notice by the official or officials that an affected taxing agency has elected not to receive all or a portion of the additional allocation of taxes by rescission or amendment of the resolution, any allocation of taxes to the affected taxing agency required to be made pursuant to this section shall not thereafter be made but shall be allocated to the agency, and the affected taxing agency shall thereafter be allocated only the portion of taxes provided for in subdivision (a) of Section 33670. After receipt of a notice by the official or officials that an affected taxing agency has elected to receive additional tax revenues attributable to only a portion of the increases in the rate of tax, only

that portion of the tax revenues shall thereafter be allocated to the affected taxing agency in addition to the portion of taxes allocated pursuant to subdivision (a) of Section 33670, and the remaining portion thereof shall be allocated to the agency.

(e) As used in this section, "affected taxing agency" means and includes every public agency for the benefit of which a tax is levied upon property in the project area, whether levied by the public agency or on its behalf by another public agency.

(f) This section applies only to redevelopment projects for which a final redevelopment plan is adopted pursuant to Article 5 (commencing with Section 33360) of Chapter 4 on or after January 1, 1977.

SEC. 127. Section 33681.6 of the Health and Safety Code, as added by Chapter 902 of the Statutes of 1993, is repealed.

SEC. 128. Section 33682.1 of the Health and Safety Code, as added by Chapter 902 of the Statutes of 1993, is repealed.

SEC. 129. Section 42400.4 of the Health and Safety Code is amended to read:

42400.4. (a) In any district where a Title V permit program has been fully approved by the Environmental Protection Agency, any person who knowingly violates any federally enforceable permit condition or any fee or filing requirement applicable to a Title V source is guilty of a misdemeanor and is subject to a fine of not more than ten thousand dollars (\$10,000).

(b) In any district in which a Title V permit program has been fully approved by the Environmental Protection Agency, any person who knowingly makes any false material statement, representation, or certification in any form or in any notice or report required of a Title V source of a federally enforceable permit requirement, or who knowingly renders inaccurate any monitoring device or method required of a Title V source, is guilty of a misdemeanor and is subject to a fine of not more than ten thousand dollars (\$10,000).

(c) The recovery of civil penalties pursuant to Section 42402, 42402.1, 42402.2, or 42404.3 precludes prosecution pursuant to this section for the same offense. When a district refers a violation to a prosecuting agency, the filing of a criminal complaint is grounds requiring the dismissal of any civil action brought pursuant to this article for the same offense.

(d) Each day during any portion of which a violation of subdivision (a) or (b) occurs is a separate offense.

(e) This section shall not become operative in a district until the Environmental Protection Agency fully approves that district's Title V permit program.

(f) This section applies only to federally enforceable permit conditions that are not otherwise enforceable pursuant to Sections 42400, 42400.1, 42400.2, and 42400.3.

SEC. 130. Section 50406 of the Health and Safety Code is amended to read:

50406. For the purposes of this division, the department has all of

the following powers:

- (a) To sue and be sued in its own name.
- (b) To have an official seal and to alter it at pleasure.
- (c) To make and execute contracts and all other instruments necessary or convenient for the exercise of its powers and functions.
- (d) To employ architects, planners, engineers, attorneys, accountants, experts in housing construction, management and finance, and any other advisers, consultants, and agents necessary for the performance of its functions and to fix their compensation in accordance with applicable law.
- (e) To provide advice, technical information, and consultative and technical services as provided in this division.
- (f) To establish, revise from time to time, and charge and collect fees and charges for services provided pursuant to this division.
- (g) To accept gifts, grants, or loans of funds or property, or financial or other aid, from any federal or state agency or private source and to comply with conditions thereof not contrary to law.
- (h) To enter into agreements or other transactions with any governmental agency, including an agreement for administration of a housing or community development program of the governmental agency by the department, or for administration by another governmental agency of a program of the department, either in whole or in part.
- (i) To enter into any agreements and perform any acts necessary to obtain subsidies for use in connection with the exercise of powers and functions of the department, and to transfer those subsidies to others as required by the agreement.
- (j) To appear in its own behalf before boards, commissions, departments, or other agencies of local, state, or federal government.
- (k) To establish any regional offices necessary to effectuate the department's purposes and functions.
- (l) To acquire real or personal property, or any interest therein, on either a temporary or long-term basis, in its own name by gift, purchase, transfer, foreclosure, lease, option, or otherwise, including easements or other incorporeal rights in property.
- (m) To provide bilingual staff in connection with services of the department and make available departmental publications in a language other than English when necessary to effectively serve groups for which the services or publications are made available.
- (n) To do any and all things necessary to carry out its purposes and exercise the powers expressly granted by this division.
- (o) (1) To sell real property acquired by the department in a foreclosure, by deed in lieu of foreclosure, or sale under a power of sale on a deed of trust, lien, or by exercise of any other security interest on real property securing repayment of a loan or performance under a grant or loan made by the department. Real property so acquired shall be sold for market value and sale proceeds shall be placed in the fund from which the secured loan or grant was made.

(2) The department may establish terms, conditions, and restrictions for the sale of real property, including a requirement that the real property be used for housing for persons and families of low or moderate income, and those terms, conditions, and restrictions shall be set forth in the deed or other instrument of conveyance.

(3) The department may conduct the sale, utilize the assistance of any local public agency authorized to conduct sales of real property, contract with a licensed real estate broker to conduct the sale, or utilize other reasonable marketing methods if the department determines that one of these options will result in a more prompt or cost-efficient sale.

(4) If the director offers to sell residential real property directly pursuant to this subdivision, the department shall close escrow within 120 days after both of the following have occurred: a qualified buyer has received approval of the department; and the buyer has obtained adequate financing for the purchase. If the deadline set forth in this paragraph is not met, the director shall employ a licensed real estate broker in connection with the proposed sale. The department may exceed the time requirements of this paragraph if the director finds that this is necessary due to factors outside the control of the department, including death of the buyer, inability of the borrower to qualify for financing from a lender, substantial damage to the property resulting from a natural disaster or other act of God, or extraordinary procedural requirements or conditions imposed by the lender or title and escrow company.

(5) The director shall perform all of the actions specified in subparagraphs (A), (B), and (C) within 30 days after both of the following have occurred: a qualified buyer has received approval of the department; and the buyer has obtained adequate financing for the purchase.

(A) Identify repair work needed to be performed on the property.

(B) Cause an appraisal of the property to be completed.

(C) Determine whether it is appropriate to rent the property until it is sold.

(6) Sales of real property made pursuant to this section are not subject to the requirements of Sections 11011 and 11011.1 of the Government Code.

(7) Failure to comply with this subdivision shall not invalidate any right, title, or interest acquired by a bona fide purchaser or encumbrancer for value.

SEC. 131. Section 10112.5 of the Insurance Code, as added by Chapter 1209 of the Statutes of 1993, is repealed.

SEC. 132. Section 10384 of the Insurance Code, as added by Chapter 1209 of the Statutes of 1993, is repealed.

SEC. 133. Section 53 of the Labor Code is amended to read:

53. Whenever in Section 1001 or in Part 1 (commencing with Section 11000) of Division 3 of Title 2 of the Government Code, "head of the department," or similar designation occurs, the same

shall for the purposes of this code mean the director, except that in respect to matters which by the express provisions of this code are committed to or retained under the jurisdiction of the Division of Workers' Compensation, the State Compensation Insurance Fund, the Occupational Safety and Health Standards Board, the Occupational Safety and Health Appeals Board, or the Industrial Welfare Commission that designation shall mean the Division of Workers' Compensation, the Administrative Director of the Division of Workers' Compensation, the Workers' Compensation Appeals Board, the State Compensation Insurance Fund, the Occupational Safety and Health Standards Board, the Occupational Safety and Health Appeals Board, or the Industrial Welfare Commission, as the case may be.

SEC. 134. Section 54.5 of the Labor Code is amended to read:

54.5. The director may appoint an attorney and assistants licensed to practice law in this state. In the absence of an appointment, the attorney for the Division of Workers' Compensation shall also perform those legal services for the department as the Director of Industrial Relations may direct.

SEC. 135. Section 55 of the Labor Code is amended to read:

55. For the purpose of administration the director shall organize the department subject to the approval of the Governor, in the manner he or she deems necessary to segregate and conduct the work of the department. Notwithstanding any provision in this code to the contrary, the director may require any division in the department to assist in the enforcement of any or all laws within the jurisdiction of the department. Except as provided in Section 18930 of the Health and Safety Code, the director may, in accordance with the provisions of Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code, make those rules and regulations as are reasonably necessary to carry out the provisions of this chapter and to effectuate its purposes. The provisions of this section, however, shall not apply to the Division of Workers' Compensation or the State Compensation Insurance Fund, except as to any power or jurisdiction within those divisions as specifically may have been conferred by law upon the director.

SEC. 136. Section 56 of the Labor Code is amended to read:

56. The work of the department shall be divided into at least six divisions known as the Division of Workers' Compensation, the Division of Occupational Safety and Health, the Division of Labor Standards Enforcement, the Division of Labor Statistics and Research, the Division of Apprenticeship Standards, and the State Compensation Insurance Fund.

SEC. 137. Section 60 of the Labor Code is amended to read:

60. Except as otherwise provided, the provisions of Divisions 4 and 4.5 of this code shall be administered and enforced by the Division of Workers' Compensation.

SEC. 138. Section 119 of the Labor Code is amended to read:

119. The attorney shall:

(a) Represent and appear for the state and the Division of Workers' Compensation and the appeals board in all actions and proceedings arising under any provision of this code administered by the division or under any order or act of the division or the appeals board and, if directed so to do, intervene, if possible, in any action or proceeding relating thereto.

(b) Commence, prosecute, and expedite the final determination of all actions or proceedings, directed or authorized by the administrative director or the appeals board.

(c) Advise the administrative director and the appeals board and each member thereof, upon request, in regard to the jurisdiction, powers or duties of the administrative director, the appeals board and each member thereof.

(d) Generally perform the duties and services as attorney to the Division of Workers' Compensation and the appeals board which are required of him or her.

SEC. 139. Section 125 of the Labor Code is amended to read:

125. The administrative director shall cause to be printed and furnished free of charge to any person blank forms that may facilitate or promote the efficient performance of the duties of the Division of Workers' Compensation.

SEC. 140. Section 126 of the Labor Code is amended to read:

126. The Division of Workers' Compensation, including the administrative director and the appeals board, shall keep minutes of all their proceedings and other books or records requisite for proper and efficient administration. All records shall be kept in their respective offices.

SEC. 141. Section 133 of the Labor Code is amended to read:

133. The Division of Workers' Compensation, including the administrative director and the appeals board, shall have the power and jurisdiction to do all things necessary or convenient in the exercise of any power or jurisdiction conferred upon them under this code.

SEC. 142. Section 138.2 of the Labor Code is amended to read:

138.2. (a) The headquarters of the Division of Workers' Compensation shall be based at and operated from a centrally located city.

(b) The administrative director shall have an office in the centrally located city where the appeals board shall be based with suitable rooms, necessary office furniture, stationery and supplies, and may rent quarters in other places for the purpose of establishing branch or service offices, and for that purpose may provide those offices with necessary furniture, stationery and supplies.

(c) The administrative director shall provide suitable rooms, with necessary office furniture, stationery and supplies for the appeals board at the centrally located city where the appeals board shall be based and operate from, and may rent quarters in other places for the purpose of establishing branch or service offices for the appeals board, and for that purpose may provide those offices with necessary

furniture, stationery and supplies.

(d) All meetings held by the administrative director shall be open and public. Notice thereof shall be published in papers of general circulation not more than 30 days and not less than 10 days prior to each meeting in Sacramento, San Francisco, Fresno, Los Angeles and San Diego. Written notice of all meetings shall be given to all persons who request in writing directed to the administrative director that they be given notice.

SEC. 143. Section 138.5 of the Labor Code is amended to read:

138.5. The Division of Workers' Compensation shall cooperate in the enforcement of child support obligations. At the request of the Director of Social Services, the administrative director shall assist in providing to the State Department of Social Services information concerning persons who are receiving permanent disability benefits or who have filed an application for adjudication of a claim that the Director of Social Services determines is necessary to carry out its responsibilities pursuant to Section 11478.6 of the Welfare and Institutions Code.

The process of sharing information with regard to applicants for and recipients of permanent disability benefits required by this section shall be known as the Workers' Compensation Notification Project.

SEC. 144. Section 2808 of the Labor Code, as added by Chapter 1209 of the Statutes of 1993, is repealed.

SEC. 145. Section 3205 of the Labor Code is amended to read:

3205. "Division" means the Division of Workers' Compensation.

SEC. 146. Section 3205.5 of the Labor Code is amended to read:

3205.5. "Appeals board" means the Workers' Compensation Appeals Board of the Division of Workers' Compensation.

SEC. 147. Section 3206 of the Labor Code is amended to read:

3206. "Administrative director" means the Director of the Division of Workers' Compensation.

SEC. 148. Section 3717 of the Labor Code is amended to read:

3717. (a) A findings and award that is the subject of a demand on the Uninsured Employers Fund or an approved compromise and release or stipulated findings and award entered into by the director pursuant to subdivision (e) of Section 3715, or a decision and order of the rehabilitation unit of the Division of Workers' Compensation, that has become final, shall constitute a liquidated claim for damages against an employer in the amount so ascertained and fixed by the appeals board, and the appeals board shall certify the same to the director who may institute a civil action against the employer in the name of the director, as administrator of the Uninsured Employers Fund, for the collection of the award, or may obtain a judgment against the employer pursuant to Section 5806. In the event that the appeals board finds that a corporation is the employer of an injured employee, and that the corporation has not secured the payment of compensation as required by this chapter, the following persons shall be jointly and severally liable with the corporation to the director in

the action:

(1) All persons who are a parent, as defined in Section 175 of the Corporations Code, of the corporation.

(2) All persons who are substantial shareholders, as defined in subdivision (b), of the corporation or its parent. In the action it shall be sufficient for plaintiff to set forth a copy of the findings and award of the appeals board relative to the claims as certified by the appeals board to the director and to state that there is due to plaintiff on account of the finding and award of the appeals board a specified sum which plaintiff claims with interest. The director shall be further entitled to costs and reasonable attorney fees, and to his or her investigation and litigation expenses for the appeals board proceedings, and a reasonable attorney fee for litigating the appeals board proceedings. A certified copy of the findings and award in the claim shall be attached to the complaint. The contents of the findings and award shall be deemed proved. The answer or demurrer to the complaint shall be filed within 10 days, the reply or demurrer to the answer within 20 days, and the demurrer to the reply within 30 days after the return day of the summons or service by publication. All motions and demurrers shall be submitted to the court within 10 days after they are filed. At the time the civil action filed pursuant to this section is at issue, it shall be placed at the head of the trial docket and shall be first in order for trial.

Nothing in this chapter shall be construed to preclude informal adjustment by the director of a claim for compensation benefits before the issuance of findings and award wherever it appears to the director that the employer is uninsured and that informal adjustment will facilitate the expeditious delivery of compensation benefits to the injured employee.

(b) As used in this section, "substantial shareholder" means a shareholder who owns at least 15 percent of the total value of all classes of stock, or, if no stock has been issued, who owns at least 15 percent of the beneficial interests in the corporation.

(c) For purposes of this section, in determining the ownership of stock or beneficial interest in the corporation, in the determination of whether a person is a substantial shareholder of the corporation, the rules of attribution of ownership of Section 17384 of the Revenue and Taxation Code shall be applied.

(d) For purposes of this section, "corporation" shall not include:

(1) Any corporation which is the issuer of any security which is exempted by Section 25101 of the Corporations Code from Section 25130 of the Corporations Code.

(2) Any corporation which is the issuer of any security exempted by subdivision (c), (d), or (i) of Section 25100 of the Corporations Code from Sections 25110, 25120, and 25130 of the Corporations Code.

(3) Any corporation which is the issuer of any security which has qualified either by coordination, as provided by Section 25111 of the Corporations Code, or by notification, as provided by Section 25112

of the Corporations Code.

SEC. 149. Section 4409 of the Labor Code is amended to read:

4409. The Director of Workers' Compensation, or his or her representative, shall assign investigative and claims adjustment services respecting matters concerning Asbestos Workers' Account cases. The assignments may be made within the department, including the Division of Workers' Compensation, and excluding the State Compensation Insurance Fund.

SEC. 150. Section 4726 of the Labor Code is amended to read:

4726. The State Board of Control and the Administrative Director of the Division of Workers' Compensation shall jointly adopt rules and regulations as may be necessary to carry out the provisions of this article.

SEC. 151. Section 4753.5 of the Labor Code is amended to read:

4753.5. In any hearing, investigation, or proceeding, the state shall be represented by the Attorney General, or the attorneys of the Division of Workers' Compensation appointed pursuant to Sections 117 and 119. Expenses incident to representation, including costs for investigation, medical examinations, and other expert reports, fees for witnesses, and other necessary and proper expenses, but excluding the salary of any of the Attorney General's deputies, shall be reimbursed from appropriations for the payments of the special additional compensation specified in Section 4751. No witness fees or fees for medical services shall exceed those fees prescribed by the appeals board for the same services in those cases where the appeals board, by rule, has prescribed fees. Reimbursement pursuant to this section shall be in addition to and in augmentation of any other appropriations made or funds available for the use or support of the Attorney General or the attorneys of the Division of Workers' Compensation.

SEC. 152. Section 5300 of the Labor Code is amended to read:

5300. All the following proceedings shall be instituted before the appeals board and not elsewhere, except as otherwise provided in Division 4:

(a) For the recovery of compensation, or concerning any right or liability arising out of or incidental thereto.

(b) For the enforcement against the employer or an insurer of any liability for compensation imposed upon the employer by this division in favor of the injured employee, his or her dependents, or any third person.

(c) For the determination of any question as to the distribution of compensation among dependents or other persons.

(d) For the determination of any question as to who are dependents of any deceased employee, or what persons are entitled to any benefit under the compensation provisions of this division.

(e) For obtaining any order which by Division 4 the appeals board is authorized to make.

(f) For the determination of any other matter, jurisdiction over which is vested by Division 4 in the Division of Workers'

Compensation, including the administrative director and the appeals board.

SEC. 153. Section 5305 of the Labor Code is amended to read:

5305. The Division of Workers' Compensation, including the administrative director and the appeals board has jurisdiction over all controversies arising out of injuries suffered outside the territorial limits of this state in those cases where the injured employee is a resident of this state at the time of the injury and the contract of hire was made in this state. Any employee described by this section, or his or her dependents, shall be entitled to the compensation or death benefits provided by this division.

SEC. 154. Section 5450 of the Labor Code is amended to read:

5450. The Division of Workers' Compensation shall make available to employees, employers and other interested parties information, assistance, and advice to assure the proper and timely furnishing of benefits and to assist in the resolution of disputes on an informal basis.

SEC. 155. Section 5451 of the Labor Code is amended to read:

5451. Any party may consult with, or seek the advice of, an information and assistance officer within the Division of Workers' Compensation as designated by the administrative director. If no application is filed, if the employee is not represented, or upon agreement of the parties, the information and assistance officer shall consider the contentions of the parties and may refer the matter to the appropriate bureau or unit within the Division of Workers' Compensation for review and recommendations. The information and assistance officer shall advise the employer and the employee of their rights, benefits, and obligations under this division. Upon making a referral, the information and assistance officer shall arrange for a copy of any pertinent material submitted to be served upon the parties or their representatives, if any. The procedures to be followed by the information and assistance officer shall be governed by the rules and regulations of the administrative director adopted after public hearings.

SEC. 156. Section 5452 of the Labor Code is amended to read:

5452. If the matter is referred to the Medical Bureau for review, the bureau may require an employee to undergo a medical examination. The bureau shall prepare a report containing its findings and recommendations, copies of which shall be furnished to the parties or their representatives, if any. No fee shall be charged by the Division of Workers' Compensation for any services authorized by this chapter except that if the Medical Bureau refers the employee to an independent medical examiner for examination and report, any party may agree to pay the cost of the examination. Referrals to the independent medical examiner shall be governed by the rules and regulations adopted by the administrative director after public hearings.

SEC. 157. Section 5453 of the Labor Code is amended to read:

5453. After consideration of the information submitted, including

the reports of any bureau or unit within the Division of Workers' Compensation that have been received, the information and assistance officer shall make a recommendation that shall be served on the parties or their representatives, if any.

SEC. 158. Section 5454 of the Labor Code is amended to read:

5454. Submission of any matter to an information and assistance officer of the Division of Workers' Compensation shall toll any applicable statute of limitations for the period that the matter is under consideration by the information and assistance officer, and for 60 days following the issuance of his or her recommendation.

SEC. 159. Section 5703 of the Labor Code is amended to read:

5703. The appeals board may receive as evidence either at or subsequent to a hearing, and use as proof of any fact in dispute, the following matters, in addition to sworn testimony presented in open hearing:

(a) Reports of attending or examining physicians.

(1) Statements concerning any bill for services are admissible only if made under penalty of perjury that they are true and correct to the best knowledge of the physician.

(2) In addition, reports are admissible under this subdivision only if the physician has further stated in the body of the report that there has not been a violation of Section 139.3 and that the contents of the report are true and correct to the best knowledge of the physician. The statement shall be made under penalty of perjury.

(b) Reports of special investigators appointed by the appeals board or a workers' compensation judge to investigate and report upon any scientific or medical question.

(c) Reports of employers, containing copies of timesheets, book accounts, reports, and other records properly authenticated.

(d) Properly authenticated copies of hospital records of the case of the injured employee.

(e) All publications of the Division of Workers' Compensation.

(f) All official publications of the State of California and United States governments.

(g) Excerpts from expert testimony received by the appeals board upon similar issues of scientific fact in other cases and the prior decisions of the appeals board upon similar issues.

SEC. 160. Section 9021.9 of the Labor Code is amended to read:

9021.9. (a) The division shall establish an advisory committee to develop and recommend by September 30, 1994, for action by the standards board in accordance with Section 142.3, specific requirements for hands-on, task-specific training programs for all craft employees who may be exposed to asbestos-containing construction materials and all employees and supervisors involved in operations pertaining to asbestos cement pipe, as specified in subdivision (c) of Section 6501.8. The training programs shall include, but not be limited to, the following information:

(1) The physical characteristics and health hazards of asbestos.

(2) The types of asbestos cement pipe or asbestos-containing

construction materials an employee may encounter in his or her specific work assignments.

(3) Safe practices and procedures for minimizing asbestos exposures from operations involving asbestos cement pipe or asbestos-containing construction materials.

(4) A review of general industry and construction safety orders relating to asbestos exposure.

(5) Hands-on instruction using pipe or other construction materials and the tools and equipment employees will use in the workplace.

(b) The division shall approve training entities to conduct task-specific training programs that include the requirements prescribed by the standards board pursuant to this section for employees and supervisors involved in operations pertaining to asbestos cement pipe or asbestos-containing construction materials.

(c) The division shall charge a fee to each asbestos training entity approved by the division pursuant to subdivision (b). The fee shall be sufficient to cover the division's cost for administering the approval process provided for in subdivision (b). The fees collected shall be deposited in the Asbestos Training Approval Account. Establishment of any fee pursuant to this section shall be accomplished through the regulatory process required by subdivision (b) of Section 9021.5.

SEC. 161. Section 395.1 of the Military and Veterans Code is amended to read:

395.1. (a) Notwithstanding any other provision of law to the contrary, any officer or employee of the state not subject to Chapter 11 (commencing with Section 19770) of Part 2 of Division 5 of Title 2 of the Government Code, or any public officer, deputy, assistant, or employee of any city, county, city and county, school district, water district, irrigation district, or any other district, political corporation, political subdivision, or governmental agency thereof who, in time of war or national emergency as proclaimed by the President or Congress, or when any of the armed forces of the United States are serving outside of the United States or their territories pursuant to order or request of the United Nations, or while any national conscription act is in effect, leaves or has left his or her office or position prior to the end of the war, or the termination of the national emergency or during the effective period of any order or request of this type of the United Nations or prior to the expiration of the National Conscription Act, to join the armed forces of the United States and who does or did without unreasonable and unnecessary delay join the armed forces or, being a member of any reserve force or corps of any of the armed forces of the United States or of the militia of this state, is or was ordered to duty therewith by competent military authority and served or serves in compliance with those orders, shall have a right, if released, separated or discharged under conditions other than dishonorable, to return to and reenter upon the office or position within six months after the

termination of his or her active service with the armed forces, but not later than six months after the end of the war or national emergency or military or police operations under the United Nations or after the Governor finds and proclaims that, for the purposes of this section, the war, national emergency, or United Nations military or police operation no longer exists, or after the expiration of the National Conscription Act, if the term for which he or she was elected or appointed has not ended during his or her absence; provided, that the right to return to and reenter upon the office or position shall not extend to or be granted to any officer or employee of the state not subject to Chapter 11 (commencing with Section 19770) of Part 2 of Division 5 of Title 2 of the Government Code, or any public officer, deputy, assistant, or employee of any city, county, city and county, school district, water district, irrigation district or any other district, political corporation, political subdivision or governmental agency thereof, who shall fail to return to and reenter upon his or her office or position within 12 months after the first date upon which he or she could terminate or could cause to have terminated his or her active service with the armed forces of the United States or of the militia of this state. He or she shall also have a right to return to and reenter upon the office or position during terminal leave from the armed forces and prior to discharge, separation or release therefrom.

(b) Upon return and reentry to the office or employment the officer or employee shall have all of the rights and privileges in, connected with, or arising out of the office or employment which he or she would have enjoyed if he or she had not been absent therefrom; provided, however, the officer or employee shall not be entitled to sick leave, vacation or salary for the period during which he or she was on leave from that governmental service and in the service of the armed forces of the United States.

If the office or position has been abolished or otherwise has ceased to exist during his or her absence, he or she shall be reinstated in a position of like seniority, status and pay if the position exists, or to a comparable vacant position for which he or she is qualified.

(c) Any officer or employee other than a probationer who is restored to his or her office or employment pursuant to this act shall not be discharged from that office or position without cause within one year after the restoration, and shall be entitled to participate in insurance or other benefits offered by the employing governmental agency pursuant to established rules and practices relating to those officers or employees on furlough or leave of absence in effect at the time the officer or employee left his or her office or position to join the armed forces of the United States.

(d) Notwithstanding any other provisions of this code, any enlisted person who was involuntarily ordered to active duty (other than for training) for a stated duration shall not lose any right or benefit conferred under this code if he or she voluntarily elects to complete the period of that duty.

(e) If the provisions of this section are in conflict with the provisions of a memorandum of understanding reached pursuant to Chapter 12 (commencing with Section 3560) of Division 4 of Title 1 of the Government Code, the memorandum of understanding shall be controlling without further legislative action, except that if such provisions of a memorandum of understanding require the expenditure of funds, the provisions shall not become effective unless approved by the Legislature in the annual Budget Act.

SEC. 162. Section 395.3 of the Military and Veterans Code is amended to read:

395.3. In the event that any public officer or employee has resigned or resigns his or her office or employment to serve or to continue to serve in the armed forces of the United States or in the armed forces of this state, he or she shall have a right to return to and reenter the office or employment prior to the time at which his or her term of office or his or her employment would have ended if he or she had not resigned, on serving a written notice to that effect upon the authorized appointing power, or if there is no authorized appointing power, upon the officer or agency having power to fill a vacancy in the office or employment, within six months of the termination of his or her active service with the armed forces; provided, that the right to return and reenter upon the office or position shall not extend to or be granted to any public officer or employee, who shall fail to return to and reenter upon his or her office or position within 12 months after the first date upon which he or she could terminate or could cause to have terminated his or her active service with the armed forces of the United States or of the militia of this state.

As used in this section, "public officers and employees" includes all of the following:

- (a) Members of the Senate and of the Assembly.
- (b) Justices of the Supreme Court and the courts of appeal, judges of the superior courts and of the municipal courts, and all other judicial officers.
- (c) All other state officers and employees not within Chapter 11 (commencing with Section 19770) of Part 2 of Division 5 of Title 2 of the Government Code, including all officers for whose selection and term of office provision is made in the Constitution and laws of this state.
- (d) All officers and employees of any county, city and county, city, township, district, political subdivision, authority, commission, board, or other public agency within this state.

The right of reentry into public office or employment provided for in this section shall include the right to be restored to the civil service status as the officer or employee would have if he or she had not so resigned; and no other person shall acquire civil service status in the same position so as to deprive the officer or employee of his or her right to restoration as provided for herein.

This section shall be retroactively applied to extend the right of

reentry into public office or employment to public officers and employees who resigned prior to its effective date.

This section does not apply to any public officer or employee to whom the right to reenter public office or employment after service in the armed forces has been granted by any other provision of law.

If any provision of this section, or the application of this section to any person or circumstance, is held invalid, the remainder of this section, or the application of this section to persons or circumstances other than those as to which it is held invalid, shall not be affected thereby.

If the provisions of this section are in conflict with the provisions of a memorandum of understanding reached pursuant to Chapter 12 (commencing with Section 3560) of Division 4 of Title 1 of the Government Code, the memorandum of understanding shall be controlling without further legislative action, except that if such provisions of a memorandum of understanding require the expenditure of funds, the provisions shall not become effective unless approved by the Legislature in the annual Budget Act.

SEC. 163. Section 209.5 of the Penal Code, as added by Chapter 610 of the Statutes of 1993, is repealed.

SEC. 164. Section 215 of the Penal Code, as added by Chapter 610 of the Statutes of 1993, is repealed.

SEC. 165. Section 987.2 of the Penal Code is amended to read:

987.2. (a) In any case in which a person, including a person who is a minor, desires but is unable to employ counsel, and in which counsel is assigned in the superior, municipal, or justice court to represent the person in a criminal trial, proceeding, or appeal, the following assigned counsel shall receive a reasonable sum for compensation and for necessary expenses, the amount of which shall be determined by the court, to be paid out of the general fund of the county:

(1) In a county or city and county in which there is no public defender.

(2) In a county of the first, second, or third class where there is no contract for criminal defense services between the county and one or more responsible attorneys.

(3) In a case in which the court finds that, because of a conflict of interest or other reasons, the public defender has properly refused.

(4) In a county of the first, second, or third class where attorneys contracted by the county are unable to represent the person accused.

(b) The sum provided for in subdivision (a) may be determined by contract between the court and one or more responsible attorneys after consultation with the board of supervisors as to the total amount of compensation and expenses to be paid, which shall be within the amount of funds allocated by the board of supervisors for the cost of assigned counsel in those cases.

(c) In counties that utilize an assigned private counsel system as either the primary method of public defense or as the method of appointing counsel in cases where the public defender is unavailable,

the county, the courts, or the local county bar association working with the courts are encouraged to do all of the following:

(1) Establish panels that shall be open to members of the State Bar of California.

(2) Categorize attorneys for panel placement on the basis of experience.

(3) Refer cases to panel members on a rotational basis within the level of experience of each panel, except that a judge may exclude an individual attorney from appointment to an individual case for good cause.

(4) Seek to educate those panel members through an approved training program.

(5) Establish a cost-efficient plan to ensure maximum recovery of costs pursuant to Section 987.8.

(d) In a county of the first, second, or third class, the court shall first utilize the services of the public defender to provide criminal defense services for indigent defendants. In the event that the public defender is unavailable and the county and the courts have contracted with one or more responsible attorneys or with a panel of attorneys to provide criminal defense services for indigent defendants, the court shall utilize the services of the county-contracted attorneys prior to assigning any other private counsel. Nothing in this subdivision shall be construed to require the appointment of counsel in any case in which the counsel has a conflict of interest. In the interest of justice, a court may depart from that portion of the procedure requiring appointment of a county-contracted attorney after making a finding of good cause and stating the reasons therefor on the record.

(e) In a county of the first, second, or third class, the court shall first utilize the services of the public defender to provide criminal defense services for indigent defendants. In the event that the public defender is unavailable and the county has created a second public defender and contracted with one or more responsible attorneys or with a panel of attorneys to provide criminal defense services for indigent defendants, and if the quality of representation provided by the second public defender is comparable to the quality of representation provided by the public defender, the court shall next utilize the services of the second public defender and then the services of the county-contracted attorneys prior to assigning any other private counsel. Nothing in this subdivision shall be construed to require the appointment of counsel in any case in which the counsel has a conflict of interest. In the interest of justice, a court may depart from that portion of the procedure requiring appointment of the second public defender or a county-contracted attorney after making a finding of good cause and stating the reasons therefor on the record.

(f) In any case in which counsel is assigned as provided in subdivision (a), that counsel appointed by the court and any court-appointed licensed private investigator shall have the same

rights and privileges to information as the public defender and the public defender investigator. It is the intent of the Legislature in enacting this subdivision to equalize any disparity that exists between the ability of private, court-appointed counsel and investigators, and public defenders and public defender investigators, to represent their clients. This subdivision is not intended to grant to private investigators access to any confidential Department of Motor Vehicles' information not otherwise available to them. This subdivision is not intended to extend to private investigators the right to issue subpoenas.

(g) Notwithstanding any other provision of this section, where an indigent defendant is first charged in one county and establishes an attorney-client relationship with the public defender, defense services contract attorney, or private attorney, and where the defendant is then charged with an offense in a second or subsequent county, the court in the second or subsequent county may appoint the same counsel as was appointed in the first county to represent the defendant when all of the following conditions are met:

(1) The offense charged in the second or subsequent county would be joinable for trial with the offense charged in the first if it took place in the same county, or involves evidence which would be cross-admissible.

(2) The court finds that the interests of justice and economy will be best served by unitary representation.

(3) Counsel appointed in the first county consents to the appointment.

(h) The county may recover costs of public defender services under Chapter 6 (commencing with Section 4750) of Title 5 of Part 3 for any case subject to Section 4750.

(i) Counsel shall be appointed to represent, in the municipal or justice court, a person who desires but is unable to employ counsel, when it appears that the appointment is necessary to provide an adequate and effective defense for the defendant.

(j) As used in this section, "county of the first, second, or third class" means the county of the first class, county of the second class, and county of the third class as provided by Sections 28020, 28022, 28023, and 28024 of the Government Code.

SEC. 166. Section 1170.1 of the Penal Code is amended to read:

1170.1. (a) Except as provided in subdivision (c) and subject to Section 654, when any person is convicted of two or more felonies, whether in the same proceeding or court or in different proceedings or courts, and whether by judgment rendered by the same or by a different court, and a consecutive term of imprisonment is imposed under Sections 669 and 1170, the aggregate term of imprisonment for all these convictions shall be the sum of the principal term, the subordinate term, and any additional term imposed pursuant to Section 667, 667.5, 667.6, or 12022.1, and pursuant to Section 11370.2 of the Health and Safety Code. The principal term shall consist of the greatest term of imprisonment imposed by the court for any of the

crimes, including any enhancements imposed pursuant to Section 667.15, 667.8, 667.85, 12022, 12022.2, 12022.3, 12022.4, 12022.5, 12022.55, 12022.6, 12022.7, 12022.75, 12022.8, or 12022.9 and an enhancement imposed pursuant to Section 11370.4 or 11379.8 of the Health and Safety Code. The subordinate term for each consecutive offense which is not a "violent felony" as defined in subdivision (c) of Section 667.5 shall consist of one-third of the middle term of imprisonment prescribed for each other felony conviction for an offense that is not a violent felony for which a consecutive term of imprisonment is imposed, and shall exclude any enhancements. In no case shall the total of subordinate terms for these consecutive offenses which are not "violent felonies" as defined in subdivision (c) of Section 667.5 exceed five years. The subordinate term for each consecutive offense which is a "violent felony" as defined in subdivision (c) of Section 667.5, including those offenses described in paragraph (8), (9), or (17) of subdivision (c) of Section 667.5, shall consist of one-third of the middle term of imprisonment prescribed for each other felony conviction for an offense that is a violent felony for which a consecutive term of imprisonment is imposed, and shall include one-third of any enhancements imposed pursuant to Section 667.15, 667.8, 667.85, 12022, 12022.2, 12022.4, 12022.5, 12022.55, 12022.7, 12022.75, or 12022.9.

(b) (1) When a consecutive term of imprisonment is imposed under Sections 669 and 1170 for two or more convictions for kidnapping, as defined in Section 207, involving separate victims or the same victim on separate occasions, the aggregate term shall be calculated as provided in subdivision (a), except that the subordinate term for each subsequent kidnapping conviction shall consist of the middle term for each kidnapping conviction for which a consecutive term of imprisonment is imposed and shall include one-third of any enhancements imposed pursuant to Section 667.8, 667.85, 12022, 12022.2, 12022.4, 12022.5, 12022.55, 12022.7, 12022.75, or 12022.9. The five-year limitation on the total of subordinate terms provided in subdivision (a) shall not apply to subordinate terms for second and subsequent convictions of kidnapping, as defined in Section 207, involving separate victims or the same victim on separate occasions.

(2) As used in this subdivision, "separate occasion" means the defendant committed a second violation of Section 207 involving the same victim after at least 24 hours elapsed following his or her release of the victim.

(c) In the case of any person convicted of one or more felonies committed while the person is confined in a state prison, or is subject to reimprisonment for escape from custody and the law either requires the terms to be served consecutively or the court imposes consecutive terms, the term of imprisonment for all the convictions which the person is required to serve consecutively shall commence from the time the person would otherwise have been released from prison. If the new offenses are consecutive with each other, the principal and subordinate terms shall be calculated as provided in

subdivision (a), except that the total of subordinate terms may exceed five years. This subdivision shall be applicable in cases of convictions of more than one offense in different proceedings, and convictions of more than one offense in the same or different proceedings.

(d) When the court imposes a prison sentence for a felony pursuant to Section 1170 the court shall also impose the additional terms provided in Sections 667, 667.15, 667.5, 667.8, 667.85, 12022, 12022.1, 12022.2, 12022.4, 12022.5, 12022.55, 12022.6, 12022.7, 12022.75, and 12022.9, and the additional terms provided in Section 11370.2, 11370.4, or 11379.8 of the Health and Safety Code, unless the additional punishment therefor is stricken pursuant to subdivision (h). The court shall also impose any other additional term which the court determines in its discretion or as required by law shall run consecutive to the term imposed under Section 1170. In considering the imposition of the additional term, the court shall apply the sentencing rules of the Judicial Council.

(e) When two or more enhancements under Sections 12022, 12022.4, 12022.5, 12022.55, 12022.7, and 12022.9 may be imposed for any single offense, only the greatest enhancement shall apply. However, in cases of lewd or lascivious acts upon or with a child under the age of 14 years accomplished by means of force or fear, as described in Section 288, kidnapping, as defined in Section 207, sexual battery, as defined in Section 243.4, penetration of a genital or anal opening by a foreign object, as defined in Section 289, oral copulation, sodomy, robbery, carjacking, rape or burglary, or attempted lewd or lascivious acts upon or with a child under the age of 14 years accomplished by means of force or fear, kidnapping, sexual battery, penetration of a genital or anal opening by a foreign object, oral copulation, sodomy, robbery, carjacking, rape, murder, or burglary, the court may impose both (1) one enhancement for weapons as provided in either Section 12022, 12022.4, or subdivision (a) of, or paragraph (2) of subdivision (b) of, Section 12022.5, and (2) one enhancement for great bodily injury as provided in either Section 12022.7 or 12022.9.

(f) The enhancements provided in Sections 667, 667.15, 667.5, 667.6, 667.8, 667.85, 12022, 12022.1, 12022.2, 12022.3, 12022.4, 12022.5, 12022.55, 12022.6, 12022.7, 12022.75, 12022.8, and 12022.9, and in Section 11370.2, 11370.4, or 11379.8 of the Health and Safety Code, shall be pleaded and proven as provided by law.

(g) (1) The term of imprisonment shall not exceed twice the number of years imposed by the trial court as the base term pursuant to subdivision (b) of Section 1170, unless the defendant stands convicted of a "violent felony" as defined in subdivision (c) of Section 667.5, or a consecutive sentence is being imposed pursuant to subdivision (b) or (c) of this section, or an enhancement is imposed pursuant to Section 667, 667.15, 667.5, 667.8, 667.85, 12022, 12022.2, 12022.4, 12022.5, 12022.55, 12022.6, 12022.7, 12022.75, or 12022.9, or an enhancement is being imposed pursuant to Section

11370.2, 11370.4, or 11379.8 of the Health and Safety Code, or the defendant stands convicted of felony escape from an institution in which he or she is lawfully confined.

(2) The term of imprisonment shall not exceed twice the number of years imposed by the trial court as the base term pursuant to subdivision (b) of Section 1170 unless an enhancement is imposed pursuant to Section 12022.1 and both the primary and secondary offenses specified in Section 12022.1 are serious felonies as specified in subdivision (c) of Section 1192.7.

(h) Notwithstanding any other law, the court may strike the additional punishment for the enhancements provided in Sections 667.15, 667.5, 667.8, 667.85, 12022, 12022.1, 12022.2, 12022.4, 12022.6, 12022.7, 12022.75, and 12022.9, or the enhancements provided in Section 11370.2, 11370.4, or 11379.8 of the Health and Safety Code, if it determines that there are circumstances in mitigation of the additional punishment and states on the record its reasons for striking the additional punishment.

(i) For any violation of paragraph (2) or (3) of subdivision (a) of Section 261, Section 264.1, subdivision (b) of Section 288, subdivision (a) of Section 289, or sodomy or oral copulation by force, violence, duress, menace, or fear of immediate and unlawful bodily injury on the victim or another person as provided in Section 286 or 288a, the number of enhancements which may be imposed shall not be limited, regardless of whether the enhancements are pursuant to this or some other section of law. Each of the enhancements shall be a full and separately served enhancement and shall not be merged with any term or with any other enhancement.

SEC. 167. Section 1203 of the Penal Code is amended to read:

1203. (a) As used in this code, "probation" shall mean the suspension of the imposition or execution of a sentence and the order of conditional and revocable release in the community under the supervision of the probation officer. As used in this code, "conditional sentence" shall mean the suspension of the imposition or execution of a sentence and the order of revocable release in the community subject to the conditions established by the court without the supervision of the probation officer. It is the intent of the Legislature that both conditional sentence and probation are authorized whenever probation is authorized in any code as a sentencing option for infractions or misdemeanors.

(b) Except as provided in subdivision (j), in every case in which a person is convicted of a felony and is eligible for probation, before judgment is pronounced, the court shall immediately refer the matter to the probation officer to investigate and report to the court, at a specified time, upon the circumstances surrounding the crime and the prior history and record of the person, which may be considered either in aggravation or mitigation of the punishment. The probation officer shall immediately investigate and make a written report to the court of his or her findings and recommendations, including his or her recommendations as to the

granting or denying of probation and the conditions of probation, if granted. Pursuant to Section 828 of the Welfare and Institutions Code, the probation officer shall include in his or her report any information gathered by a law enforcement agency relating to the taking of the defendant into custody as a minor, which shall be considered for purposes of determining whether adjudications of commissions of crimes as a juvenile warrant a finding that there are circumstances in aggravation pursuant to Section 1170 or to deny probation. The probation officer shall also include in the report his or her recommendation of the amount the defendant should be required to pay as a restitution fine pursuant to Section 13967 of the Government Code. The probation officer shall also include in his or her report a recommendation as to whether the court shall require, as a condition of probation, restitution to the victim or to the Restitution Fund. The report shall be made available to the court and the prosecuting and defense attorneys at least five days, or upon request of the defendant or prosecuting attorney, nine days prior to the time fixed by the court for the hearing and determination of the report, and shall be filed with the clerk of the court as a record in the case at the time of the hearing. The time within which the report shall be made available and filed may be waived by written stipulation of the prosecuting and defense attorneys which is filed with the court or an oral stipulation in open court which is made and entered upon the minutes of the court. At a time fixed by the court, the court shall hear and determine the application, if one has been made, or, in any case, the suitability of probation in the particular case. At the hearing, the court shall consider any report of the probation officer and shall make a statement that it has considered the report which shall be filed with the clerk of the court as a record in the case. If the court determines that there are circumstances in mitigation of the punishment prescribed by law or that the ends of justice would be served by granting probation to the person, it may place the person on probation. If probation is denied, the clerk of the court shall immediately send a copy of the report to the Department of Corrections at the prison or other institution to which the person is delivered.

(c) If a defendant is not represented by an attorney, the court shall order the probation officer who makes the probation report to discuss its contents with the defendant.

(d) In every case in which a person is convicted of a misdemeanor, the court may either refer the matter to the probation officer for an investigation and a report or summarily pronounce a conditional sentence. If the case is not referred to the probation officer, in sentencing the person, the court may consider any information concerning the person which could have been included in a probation report. The court shall inform the person of the information to be considered and permit him or her to answer or controvert such information. For this purpose, upon the request of the person, the court shall grant a continuance before the judgment

is pronounced.

(e) Except in unusual cases where the interests of justice would best be served if the person is granted probation, probation shall not be granted to any of the following persons:

(1) Unless the person had a lawful right to carry a deadly weapon, other than a firearm, at the time of the perpetration of the crime or his or her arrest, any person who has been convicted of arson, robbery, carjacking, burglary, burglary with explosives, rape with force or violence, murder, attempt to commit murder, trainwrecking, kidnapping, escape from the state prison, or a conspiracy to commit one or more of those crimes and was armed with a deadly weapon at either of those times.

(2) Any person who used or attempted to use a deadly weapon upon a human being in connection with the perpetration of the crime of which he or she has been convicted.

(3) Any person who willfully inflicted great bodily injury or torture in the perpetration of the crime of which he or she has been convicted.

(4) Any person who has been previously convicted twice in this state of a felony or in any other place of a public offense which, if committed in this state, would have been punishable as a felony.

(5) Unless the person has never been previously convicted once in this state of a felony or in any other place of a public offense which, if committed in this state, would have been punishable as a felony, any person who has been convicted of burglary with explosives, rape with force or violence, murder, attempt to commit murder, trainwrecking, extortion, kidnapping, escape from the state prison, a violation of Section 286, 288, 288a, or 288.5, or a conspiracy to commit one or more of those crimes.

(6) Any person who has been previously convicted once in this state of a felony or in any other place of a public offense which, if committed in this state, would have been punishable as a felony, if he or she committed any of the following acts:

(A) Unless the person had a lawful right to carry a deadly weapon at the time of the perpetration of the previous crime or his or her arrest for the previous crime, he or she was armed with a weapon at either of those times.

(B) The person used or attempted to use a deadly weapon upon a human being in connection with the perpetration of the previous crime.

(C) The person willfully inflicted great bodily injury or torture in the perpetration of the previous crime.

(7) Any public official or peace officer of this state or any city, county, or other political subdivision who, in the discharge of the duties of his or her public office or employment, accepted or gave or offered to accept or give any bribe, embezzled public money, or was guilty of extortion.

(8) Any person who knowingly furnishes or gives away phencyclidine.

(9) Any person who intentionally inflicted great bodily injury in the commission of arson under subdivision (a) of Section 451 or who intentionally set fire to, burned, or caused the burning of, an inhabited structure or inhabited property in violation of subdivision (b) of Section 451.

(10) Any person who, in the commission of a felony, inflicts great bodily injury or causes the death of a human being by the discharge of a firearm from or at an occupied motor vehicle proceeding on a public street or highway.

(11) Any person who possesses a short-barreled rifle or a short-barreled shotgun under Section 12020, a machine gun under Section 12220, or a silencer under Section 12520.

(f) When probation is granted in a case which comes within the provisions of subdivision (e), the court shall specify on the record and shall enter on the minutes the circumstances indicating that the interests of justice would best be served by that disposition.

(g) If a person is not eligible for probation, the judge shall refer the matter to the probation officer for an investigation of the facts relevant to determination of the amount of a restitution fine pursuant to Section 13967 of the Government Code in all cases where the determination is applicable. The judge, in his or her discretion, may direct the probation officer to investigate all facts relevant to the sentencing of the person. Upon that referral, the probation officer shall immediately investigate the circumstances surrounding the crime and the prior record and history of the person and make a written report to the court of his or her findings. The findings shall include a recommendation of the amount of the restitution fine as provided in Section 13967 of the Government Code.

(h) In any case in which a defendant is convicted of a felony and a probation report is prepared pursuant to subdivision (b) or (g), the probation officer may obtain and include in the report a statement of the comments of the victim concerning the offense. The court may direct the probation officer not to obtain a statement in any case where the victim has in fact testified at any of the court proceedings concerning the offense.

(i) No probationer shall be released to enter another state unless his or her case has been referred to the Administrator, Interstate Probation and Parole Compacts, pursuant to the Uniform Act for Out-of-State Probationer or Parolee Supervision (Article 3 (commencing with Section 11175) of Chapter 2 of Title 1 of Part 4) and the probationer has reimbursed the county that has jurisdiction over his or her probation case the reasonable costs of processing his or her request for interstate compact supervision. The amount and method of reimbursement shall be in accordance with Section 1203.1b.

(j) In any court where a county financial evaluation officer is available, in addition to referring the matter to the probation officer, the court may order the defendant to appear before the county financial evaluation officer for a financial evaluation of the

defendant's ability to pay restitution, in which case the county financial evaluation officer shall report his or her findings regarding restitution and other court-related costs to the probation officer on the question of the defendant's ability to pay those costs.

Any order made pursuant to this subdivision may be enforced as a violation of the terms and conditions of probation upon willful failure to pay and at the discretion of the court and as stated in the order, may be enforced in the same manner as a judgment in a civil action, if any balance remains unpaid at the end of the defendant's probationary period.

SEC. 168. Section 1203.1g of the Penal Code is amended to read:

1203.1g. In any case in which a defendant is convicted of sexual assault on a minor, and the defendant is eligible for probation, the court, as a condition of probation, shall order him or her to make restitution for the costs of medical or psychological treatment incurred by the victim as a result of the assault and that he or she seek and maintain employment and apply that portion of his or her earnings specified by the court toward those costs.

As used in this section, "sexual assault" has the meaning specified in subdivisions (a) and (b) of Section 11165.1. The defendant is entitled to a hearing concerning any modification of the amount of restitution based on the costs of medical and psychological treatment incurred by the victim subsequent to the issuance of the order of probation.

SEC. 169. Section 11113 of the Penal Code, as added by Chapter 1270 of the Statutes of 1993, is amended and renumbered to read:

11110. The Attorney General shall perform a feasibility study of automated systems for storing and communicating law enforcement related photographs on or before January 1, 1995, and shall complete a study report to the Legislature on or before January 1, 1996.

SEC. 170. Section 12021 of the Penal Code is amended to read:

12021. (a) (1) Any person who has been convicted of a felony under the laws of the United States, of the State of California, or any other state, government, or country, or of an offense enumerated in subdivision (a), (b), or (d) of Section 12001.6, or who is addicted to the use of any narcotic drug, who owns or has in his or her possession or under his or her custody or control any firearm is guilty of a felony.

(2) Any person who has two or more convictions for violating paragraph (2) of subdivision (a) of Section 417 and who owns or has in his or her possession or under his or her custody or control any firearm is guilty of a felony.

(b) Notwithstanding subdivision (a), any person who has been convicted of a felony or of an offense enumerated in Section 12001.6, when that conviction results from certification by the juvenile court for prosecution as an adult in an adult court under Section 707 of the Welfare and Institutions Code, who owns or has in his or her possession or under his or her custody or control any firearm is guilty of a felony.

(c) (1) Except as provided in subdivision (a) or paragraph (2) of

this subdivision, any person who has been convicted of a misdemeanor violation of Section 136.5, 140, 171b, 171c, 171d, 240, 241, 242, 243, 244.5, 245, 245.5, 246.3, 247, 273.5, 273.6, 417, 417.2, 626.9, 646.9, subdivision (b) or (d) of Section 12034, subdivision (a) of Section 12100, 12320, or 12590 and who, within 10 years of the conviction, owns, or has in his or her possession or under his or her custody or control, any firearm is guilty of a public offense, which shall be punishable by imprisonment in the state prison or in a county jail not exceeding one year, by a fine not exceeding one thousand dollars (\$1,000), or by both that imprisonment and fine. The court, on forms prescribed by the Department of Justice, shall notify the department of persons subject to this subdivision. However, the prohibition in this paragraph may be reduced, eliminated, or conditioned as provided in paragraph (2) or (3).

(2) Any person employed as a peace officer described in Section 830.1, 830.2, 830.31, 830.32, 830.33, or 830.5 whose employment or livelihood is dependent on the ability to legally possess a firearm, who is subject to the prohibition imposed by this subdivision because of a conviction under Section 273.5, 273.6, or 646.9, may petition the court only once for relief from this prohibition. The petition shall be filed with the court in which the petitioner was sentenced. If possible, the matter shall be heard before the same judge that sentenced the petitioner. Upon filing the petition, the clerk of the court shall set the hearing date and shall notify the petitioner and the prosecuting attorney of the date of the hearing. Upon making each of the following findings, the court may reduce or eliminate the prohibition, impose conditions on reduction or elimination of the prohibition, or otherwise grant relief from the prohibition as the court deems appropriate:

(A) Finds by a preponderance of the evidence that the petitioner is likely to use a firearm in a safe and lawful manner.

(B) Finds that the petitioner is not within a prohibited class as specified in subdivision (a), (b), (d), (e), or (g) or Section 12021.1, and the court is not presented with any credible evidence that the petitioner is a person described in Section 8100 or 8103 of the Welfare and Institutions Code.

(C) Finds that the petitioner does not have a previous conviction under subdivision (c) no matter when the prior conviction occurred.

In making its decision, the court shall consider the petitioner's continued employment, the interest of justice, any relevant evidence, and the totality of the circumstances. The court shall require, as a condition of granting relief from the prohibition under this section, that the petitioner agree to participate in counseling as deemed appropriate by the court. Relief from the prohibition shall not relieve any other person or entity from any liability that might otherwise be imposed. It is the intent of the Legislature that courts exercise broad discretion in fashioning appropriate relief under this paragraph in cases in which relief is warranted. However, nothing in this paragraph shall be construed to require courts to grant relief to

any particular petitioner. It is the intent of the Legislature to permit persons who were convicted of an offense specified in Section 273.5, 273.6, or 646.9 to seek relief from the prohibition imposed by this subdivision.

(3) Any person who is subject to the prohibition imposed by this subdivision because of a conviction prior to January 1, 1991, may petition the court only once for relief from this prohibition. The petition shall be filed with the court in which the petitioner was sentenced. If possible, the matter shall be heard before the same judge that sentenced the petitioner. Upon filing the petition, the clerk of the court shall set the hearing date and notify the petitioner and the prosecuting attorney of the date of the hearing. Upon making each of the following findings, the court may reduce or eliminate the prohibition, impose conditions on reduction or elimination of the prohibition, or otherwise grant relief from the prohibition as the court deems appropriate:

(A) Finds by a preponderance of the evidence that the petitioner is likely to use a firearm in a safe and lawful manner.

(B) Finds that the petitioner is not within a prohibited class as specified in subdivision (a), (b), (d), (e), or (g) or Section 12021.1, and the court is not presented with any credible evidence that the petitioner is a person described in Section 8100 or 8103 of the Welfare and Institutions Code.

(C) Finds that the petitioner does not have a previous conviction under this subdivision, no matter when the prior conviction occurred.

In making its decision, the court may consider the interest of justice, any relevant evidence, and the totality of the circumstances. It is the intent of the Legislature that courts exercise broad discretion in fashioning appropriate relief under this paragraph in cases in which relief is warranted. However, nothing in this paragraph shall be construed to require courts to grant relief to any particular petitioner.

(4) Law enforcement officials who enforce the prohibition specified in this subdivision against a person who has been granted relief pursuant to paragraph (2) or (3), shall be immune from any liability for false arrest arising from the enforcement of this subdivision unless the person has in his or her possession a certified copy of the court order that granted the person relief from the prohibition. This immunity from liability shall not relieve any person or entity from any other liability that might otherwise be imposed.

(d) Any person who, as an express condition of probation, is prohibited or restricted from owning, possessing, controlling, receiving, or purchasing a firearm and who owns, or has in his or her possession or under his or her custody or control, any firearm but who is not subject to subdivision (a) or (c) is guilty of a public offense, which shall be punishable by imprisonment in the state prison or in a county jail not exceeding one year, by a fine not exceeding one thousand dollars (\$1,000), or by both that

imprisonment and fine. The court, on forms provided by the Department of Justice, shall notify the department of persons subject to this subdivision. The notice shall include a copy of the order of probation and a copy of any minute order or abstract reflecting the order and conditions of probation.

(e) Any person who (1) is alleged to have committed an offense listed in subdivision (b) of Section 707 of the Welfare and Institutions Code or an offense described in subdivision (b) of Section 1203.073, (2) is found to be a fit and proper subject to be dealt with under the juvenile court law, and (3) is subsequently adjudged a ward of the juvenile court within the meaning of Section 602 of the Welfare and Institutions Code because the person committed an offense listed in subdivision (b) of Section 707 of the Welfare and Institutions Code or an offense described in subdivision (b) of Section 1203.073 shall not own, or have in his or her possession or under his or her custody or control, any firearm until the age of 30 years. A violation of this subdivision shall be punishable by imprisonment in the state prison or in a county jail not exceeding one year, by a fine not exceeding one thousand dollars (\$1,000), or by both that imprisonment and fine. The juvenile court, on forms prescribed by the Department of Justice, shall notify the department of persons subject to this subdivision. Notwithstanding any other law, the forms required to be submitted to the department pursuant to this subdivision may be used to determine eligibility to acquire a firearm.

(f) Subdivision (a) shall not apply to a person who has been convicted of a felony under the laws of the United States unless either of the following criteria is satisfied:

(1) Conviction of a like offense under California law can only result in imposition of felony punishment.

(2) The defendant was sentenced to a federal correctional facility for more than 30 days, or received a fine of more than one thousand dollars (\$1,000), or received both punishments.

(g) Every person who purchases or receives, or attempts to purchase or receive, a firearm knowing that he or she is subject to a protective order as defined in Section 6218 of the Family Code, is guilty of a public offense, which shall be punishable by imprisonment in the state prison or in a county jail not exceeding one year, by a fine not exceeding one thousand dollars (\$1,000), or both that imprisonment and fine. This subdivision does not apply unless the copy of the restraining order personally served on the person against whom the restraining order is issued contains a notice in bold print (1) stating that the person is prohibited from purchasing or receiving or attempting to purchase or receive a firearm and (2) specifying the penalties for violating this subdivision, or a court has provided actual verbal notice of the firearm prohibition and penalty as provided in Section 6304 of the Family Code. However, this subdivision does not apply if the firearm is received as part of the disposition of community property pursuant to Division 7 (commencing with Section 2500) of the Family Code.

SEC. 171. Section 12305 of the Penal Code is amended to read:

12305. (a) Every dealer, manufacturer, importer, and exporter of any destructive device, or any motion picture or television studio using destructive devices in the conduct of its business, shall obtain a permit for the conduct of that business from the Department of Justice.

(b) Any person, firm, or corporation not mentioned in subdivision (a) shall obtain a permit from the Department of Justice in order to possess or transport any destructive device. No permit shall be issued to any person who meets any of the following criteria:

(1) Has been convicted of any felony.

(2) Is addicted to the use of any narcotic drug.

(3) Is a person in a class prohibited by Section 8100 or 8103 of the Welfare and Institutions Code.

(c) Applications for permits shall be filed in writing, signed by the applicant if an individual, or by a member or officer qualified to sign if the applicant is a firm or corporation, and shall state the name, business in which engaged, business address, and a full description of the use to which the destructive devices are to be put.

(d) Applications and permits shall be uniform throughout the state on forms prescribed by the Department of Justice.

(e) Each applicant for a permit shall pay at the time of filing his or her application a fee not to exceed the application processing costs of the Department of Justice. A permit granted pursuant to this article may be renewed one year from the date of issuance, and annually thereafter, upon the filing of a renewal application and the payment of a permit renewal fee not to exceed the application processing costs of the Department of Justice. After the department establishes fees sufficient in amount to cover processing costs, the amount of the fees shall only increase at a rate not to exceed the legislatively approved cost-of-living adjustment for the department.

SEC. 172. Section 2051 of the Public Contract Code is amended to read:

2051. As used in this chapter, the following definitions apply:

(a) "Awarding department" means any state agency, department, governmental entity, including the California State University, or officer or entity empowered by law to enter into contracts on behalf of the State of California.

(b) "Department" means the Department of Transportation.

(c) "Minority," for purposes of this section, means a citizen or lawful permanent resident of the United States who is an ethnic person of color and who is: Black (a person having origins in any of the Black racial groups of Africa); Hispanic (a person of Mexican, Puerto Rican, Cuban, or Central or South American culture or origin regardless of race); Native American (an American Indian, Eskimo, Aleut, or Native Hawaiian); Pacific-Asian (a person whose origins are from Japan, China, Taiwan, Korea, Vietnam, Laos, Cambodia, the Philippines, Samoa, Guam, or the United States Trust Territories of the Pacific or including the Northern Marianas); Asian-Indian (a

person whose origins are from India, Pakistan, or Bangladesh); or any other group of natural persons identified as minorities in the respective project specifications of an awarding department or participating local agency. A person of Spanish or Portuguese culture or origin, other than Hispanic, shall constitute a minority for purposes of this section only with respect to contracts fully or partially funded by the federal government.

(d) "Minority business enterprise" means a business concern that meets all of the following criteria:

(1) The business is at least 51 percent owned by one or more minorities or, in the case of any business whose stock is publicly held, at least 51 percent of the stock is owned by one or more minorities.

(2) A business whose management and daily operations are controlled by one or more minorities who own the business.

(3) A business concern with its home office located in the United States which is not a branch or subsidiary of a foreign corporation, firm, or other business.

(e) "Women business enterprise" means a business concern that meets all of the following criteria:

(1) The business is at least 51 percent owned by one or more women or, in the case of any business whose stock is publicly held, at least 51 percent of the stock is owned by one or more women.

(2) A business whose management and daily operations are controlled by one or more women who own the business.

(3) A business concern with its home office located in the United States which is not a branch or subsidiary of a foreign corporation, firm, or other business.

(f) A "disadvantaged business enterprise" means a business concern that is all of the following:

(1) A "disadvantaged business" as that term is used in Section 23.62 of Title 49 of the Code of Federal Regulations.

(2) An individual proprietorship, partnership, corporation, or joint venture.

(3) Organized for profit, with a place of business located in the United States and which makes a significant contribution to the United States economy through payment of taxes or use of American products, materials, or labor.

(g) "Participating state or local agency" means any state or local agency that elects to participate in the certification process pursuant to this chapter. For purposes of this subdivision, the following definitions apply:

(1) "State agency" means any department, division, board, bureau, commission, or agency of the executive branch of government.

(2) "Local agency" means a county or city, whether general law or chartered, city and county, school district, or other district.

(3) "District" means an agency of the state, formed pursuant to general law or special act, for the local performance of governmental or proprietary functions within limited boundaries.

SEC. 173. Section 5029 of the Public Resources Code is amended to read:

5029. (a) The commission shall, within 90 days after the approval by the director of the issuance by the commission of an historical resources designation for an individual property, submit to the county recorder for recordation, and the county recorder shall record, a certified resolution establishing the historical resources designation. For historical resources designations approved prior to March 15, 1993, the commission may submit for recordation, and the county recorder shall record, a certified resolution of historical resources designation.

(b) Any local agency, or unit thereof, shall, within 90 days of an historical resources designation by the local agency or unit for an individual property, submit to the county recorder for recordation, and the county recorder shall record, a certified resolution establishing the historical resources designation. For historical resources designations made prior to March 15, 1993, the local agency, or unit thereof, may submit for recordation, and the county recorder shall record, a certified resolution of historical resources designation.

(c) The resolution shall include the name of the current property owner, the designating entity, the specific historical resources designation, and a legal description of the property.

(d) The recorder shall index the recorded resolutions of the commission or local agency, or unit thereof, listing the respective agency as the "grantor" and the current owner as the "grantee" for that purpose.

(e) For the purpose of this section, the term "historical resources designation" means the California Register of Historical Resources and any local historical resources designation resulting in restrictions on demolitions or alterations.

(f) This section shall have no effect on the right, title, or interest in the property identified after March 15, 1993, which is acquired by a bona fide purchaser for value between the time of designation of the property as a historical resource and time that the designation is recorded unless the purchaser had actual knowledge of the designation.

(g) This section shall have no effect upon the title to any property that is subject to this section.

SEC. 174. Section 5072.8 of the Public Resources Code, as added by Chapter 701 of the Statutes of 1992, is repealed.

SEC. 175. Section 5079.01 of the Public Resources Code is amended to read:

5079.01. As used in this chapter, the following terms have the following meanings:

(a) "California Register" means the California Register of Historic Resources.

(b) "Commission" means the State Historical Resources Commission.

(c) "Fund" means the California Heritage Fund created pursuant to Section 5079.10.

(d) "Historical landmark" and "historical resource" have the same meaning as set forth in subdivision (i) and subdivision (j), respectively, of Section 5020.1.

(e) "Historical resource preservation project" is a product, facility, or project designed to preserve an historical resource that is listed, or formally determined eligible for listing, in the National Register of Historic Places or the California Register, or designated as a historical landmark or point of historical interest.

(f) "National Register of Historic Places" means the official federal list of districts, sites, buildings, structures, and objects significant in American history, architecture, archaeology, engineering, and culture as authorized by the National Historic Preservation Act of 1966 (16 U.S.C. Sec. 470 et seq.).

(g) "Nonprofit organization" means any private, nonprofit organization, existing under Section 501(c)(3) of the United States Internal Revenue Code, that has, among its principal charitable purposes, the preservation of historic resources for cultural, scientific, historic, educational, recreational, agricultural, or scenic opportunities.

(h) "Office" means the State Office of Historic Preservation.

(i) "Point of historical interest" has the same meaning as set forth in subdivision (o) of Section 5020.1.

(j) "Preservation" means identification, evaluation, recordation, documentation, curation, acquisition, protection, management, rehabilitation, restoration, stabilization, maintenance, and reconstruction, or any combination of those activities.

(k) "Public agency" means a federal agency, state agency, city, county, district, association of governments, joint powers agency, or tribal organization.

(l) "Stewardship" means the development and implementation of programs for the proper care, interpretation, and repose of items of historic and cultural value.

SEC. 176. Section 5079.12 of the Public Resources Code is amended to read:

5079.12. In addition to any public funds appropriated expressly for the purposes of this chapter, the office may apply for and accept grants, and accept gifts, donations, subventions, rents, royalties, and other financial support, or real or personal property, from private sources. All money received from private sources shall be deposited in a separate account established pursuant to Section 5079.11 and, notwithstanding Section 5079.10, is hereby continuously appropriated to the office for expenditure for historical resources preservation projects pursuant to this chapter after notification to, and project approval by, the Department of Finance.

SEC. 177. Section 6217 of the Public Resources Code is amended to read:

6217. With the exception of revenues derived from state school

lands and from sources described in Sections 6217.6, 6301.5, 6301.6, 6855, and 8551 to 8558, inclusive, and Section 6406 (insofar as the proceeds are from property that has been distributed or escheated to the state in connection with unclaimed estates of deceased persons), the commission shall deposit in the State Treasury all revenues, moneys, and remittances received by it under this division, and under Chapter 138 of the Statutes of 1964, First Extraordinary Session, and these sums shall be applied to the following obligations in the following order:

(a) To the General Fund, the revenue necessary to provide in any fiscal year for the following:

(1) Payment of refunds, authorized by the commission and approved by the State Board of Control, out of appropriations made for that purpose by the Legislature.

(2) Payment of expenditures of the commission as provided in the annual Budget Act approved by the Legislature.

(3) Payments to cities and counties of the amounts specified in Section 6817 for the purposes specified in that section, and the revenues so deposited are appropriated for that purpose.

(4) Payments to cities and counties of the amounts agreed to pursuant to Section 6875.

(b) To the California Water Fund each fiscal year the amount of twenty-five million dollars (\$25,000,000).

(c) To the Central Valley Water Project Construction Fund each fiscal year the amount of five million dollars (\$5,000,000).

(d) (1) To the General Fund, the amount of five hundred twenty-five thousand dollars (\$525,000) for each of the 1994-95, 1995-96, 1996-97, 1997-98, and 1998-99 fiscal years for distribution for public and private higher education for use as up to two-thirds of the local matching share for projects under the National Sea Grant College and Program Act of 1966 (P.L. 89-688) approved, upon the recommendation of the advisory panel appointed pursuant to this section, by the Secretary of the Resources Agency or his or her designee. The Secretary of the Resources Agency shall submit a report to the Legislature on or before January 1, 1993, which evaluates this program and makes recommendations on whether changes should be made to the program or whether it should be continued. The Legislature shall consider recommendations from the Secretary of the Resources Agency and other interested parties on the benefits to the people of the State of California derived from this program and shall determine whether or not to continue similar appropriations for subsequent fiscal years.

(2) There shall be an advisory panel to the Secretary of the Resources Agency consisting of 17 members, which shall do all of the following:

(A) Identify state needs that might be met through Sea Grant research projects, including, but not limited to, such fields as living marine resources, aquaculture, ocean engineering, marine minerals, public recreation, coastal physical processes and coastal and ocean

resources planning and management, and marine data acquisition and dissemination, establish priorities for those needs, and transmit those needs and priorities to the Legislature not later than January 1 of each year and include them in all announcements of proposals for grants in the following fiscal year.

(B) Review all applications for funding under this section and make recommendations based upon the priorities it establishes.

(C) Periodically review progress on Sea Grant research projects subsequent to their approval and funding under this section.

(D) Make recommendations to the Secretary of the Resources Agency with respect to the implementation of this section.

(3) The Secretary of the Resources Agency shall appoint the following members of the advisory panel, who shall serve at the pleasure of the secretary:

(A) A representative of the Department of Boating and Waterways.

(B) A representative of the Department of Conservation.

(C) A representative of the Department of Fish and Game.

(D) The Executive Director of the California Coastal Commission or his or her designee.

(E) A representative of the fish industry.

(F) A representative of the aquaculture industry.

(G) A representative of the ocean engineering industry.

(H) A representative of the University of California.

(I) A representative of the California State University.

(J) A representative of a private California institution of higher education which is participating in the National Sea Grant Program.

(K) A representative of the State Lands Commission.

(L) A representative of the Office of Environmental Health Hazard Assessment.

(M) A representative of the State Water Resources Control Board.

(N) A representative of the Office of Oil Spill Prevention and Response in the Department of Fish and Game, designated by the administrator for oil spill response.

(4) The Senate Committee on Rules shall appoint one Member of the Senate to the panel, who shall serve at the pleasure of the Senate Committee on Rules.

(5) The Speaker of the Assembly shall appoint one Member of the Assembly to the panel, who shall serve at the pleasure of the Speaker. This member shall not be of the same political party as the member appointed by the Senate Committee on Rules.

(6) The Secretary of the Resources Agency, or the secretary's designee, shall serve as chairperson of the panel. Panel members shall serve without compensation.

(7) The Sea Grant research projects selected for state support under this subdivision shall have a clearly defined benefit to the people of the State of California. These projects, to be conducted by universities, colleges, or other institutions participating in the

California Sea Grant College Program, shall be applicable to marine and coastal resources management, policy, science, and engineering issues that face the State of California now or in the reasonably foreseeable future. The Legislature hereby finds and declares that the funding provided by this subdivision is needed to stimulate the development and utilization of ocean and coastal resources by working constructively with private sector firms and individuals. The Legislature further recognizes the high productivity of the California Sea Grant College Program, the only statewide program systematically devoted to supporting fundamental research, education, and extension activities on the diversity of problems related to marine resource protection and development. Nothing in this subdivision shall be construed to preclude the application for funding of any project that would be eligible for funding under the terms of the National Sea Grant College and Program Act of 1966.

(e) To the Capital Outlay Fund for Public Higher Education for the 1984-85 fiscal year the amount of one hundred two million one hundred sixty-eight thousand dollars (\$102,168,000), and for each fiscal year thereafter, the amount necessary to provide for an unencumbered balance available for appropriation on July 1 of each fiscal year of one hundred twenty-five million dollars (\$125,000,000).

(f) To the Energy and Resources Fund each fiscal year, commencing with the 1985-86 fiscal year, the amount of sixty-five million dollars (\$65,000,000).

(g) To the Special Account for Capital Outlay, the balance of all revenues in excess of the amount distributed under subdivisions (a), (b), (c), (d), (e), and (f).

The commission may, with the approval of the State Board of Control, authorize the refund of moneys received or collected by it illegally or by mistake, inadvertence, or error. Claims authorized by the commission and approved by the State Board of Control shall be filed with the Controller, and the Controller shall draw his or her warrant against the General Fund in payment of the refund from any appropriation made for that purpose.

All references in any law to former Section 6816, which was repealed by Chapter 981 of the Statutes of 1968, shall be deemed to refer to this section.

SEC. 178. Section 14571.7 of the Public Resources Code is amended to read:

14571.7. (a) Except as provided in subdivision (b), in any convenience zone where a recycling location or locations were initially established, but where the location or locations cease to operate in accordance with Section 14571, on or before August 1, 1990, and in any convenience zone designated after January 1, 1990, the department shall notify all dealers within that convenience zone that a recycling location is required to be established within 60 days. If, within 30 days of the notification, no recycling location has been established which satisfies the requirements of Section 14571, the department shall notify all dealers within that zone, and one or more

dealers within that zone shall establish, or cause to be established, a recycling location.

(b) In any convenience zone where a recycling location or locations were initially established, but where the location or locations cease to operate in accordance with Section 14571, on or after August 1, 1990, or the convenience zone is to be established after October 1, 1990, the department shall determine, pursuant to Section 14571.8, if the convenience zone is eligible for an exemption. If the convenience zone meets all of the requirements for an exemption pursuant to Section 14571.8, the department shall grant one exemption. If the department determines that a convenience zone is not eligible for an exemption pursuant to subdivision (a) and Section 14571.8, the department shall notify all dealers within that convenience zone that a recycling location is required to be established within 60 days. If, within 30 days of the notification, no recycling location has been established which satisfies the requirements of Section 14571, the department shall notify all dealers within that zone, and one or more dealers within that zone shall establish, or cause to be established, a recycling location.

SEC. 179. Section 41780.2 of the Public Resources Code is amended to read:

41780.2. (a) Each city, county, or member agency of a regional agency shall determine the amount of reduction in solid waste disposal and the amount of additional diversion required from the base-year amounts by using the methods set forth in this section.

(b) The city, county, or member agency of a regional agency shall multiply the total amount of base-year solid waste generation, as adjusted using the methods described in subdivision (c) of Section 41780.1, by 0.75 to determine the maximum amount of total disposal allowable in 1995 to meet the diversion requirements of Section 41780.

(c) The city, county, or member agency of a regional agency shall multiply the total amount of base-year solid waste generation, as adjusted using the methods described in subdivision (c) of Section 41780.1, by 0.50 to determine the maximum amount of total disposal allowable in the year 2000 to meet the diversion requirements of Section 41780.

(d) The city, county, or member agency of a regional agency shall multiply the total amount of base-year solid waste generation, as adjusted using the methods described in subdivision (c) of Section 41780.1, by 0.25 to determine the minimum amount of total diversion needed in the year 1995 to meet the diversion requirements of Section 41780.

(e) The city, county, or member agency of a regional agency shall multiply the total amount of base-year solid waste generation, as adjusted using the methods described in subdivision (c) of Section 41780.1, by 0.50 to determine the minimum amount of total diversion needed in the year 2000 to meet the diversion requirements of Section 41780.

(f) The city, county, or member agency of a regional agency shall subtract the total amount of base-year existing diversion from the minimum total diversion required as determined in subdivision (d) or (e) to determine the amount of additional diversion needed to meet the diversion requirements of Section 41780. This amount of additional diversion shall be equal to the minimum amount of additional reduction in disposal amounts which is needed to comply with Section 41780.

SEC. 180. Section 42145.5 of the Public Resources Code is amended and renumbered to read:

40506.1. (a) Notwithstanding any other provision of law, the board may sell any of its loans made pursuant to this division on the secondary market and may pool its loans. All proceeds shall be deposited into the same accounts into which the loan repayments from each loan would have been deposited, and the use of the proceeds shall be limited to the authorized uses of these accounts.

(b) The board shall not sell its loans pursuant to this section if the loan sale results in more than a 25-percent discount of the principal amount, excluding any expenses or reserves required as a condition of the loan sale.

SEC. 181. Section 42291 of the Public Resources Code is amended to read:

42291. (a) Every manufacturer that manufactures plastic trash bags of 1.0 mil or greater thickness for sale in this state shall ensure that at least 10 percent of the material used in those plastic trash bags is recycled plastic postconsumer material.

(b) (1) On and after January 1, 1995, every manufacturer that manufactures plastic trash bags of 0.75 mil or greater thickness for sale in this state shall ensure that at least 30 percent of the material used in those plastic trash bags is recycled plastic postconsumer material.

(2) If any manufacturer is unable to obtain sufficient amounts of recycled plastic postconsumer material to comply with this subdivision within a reporting period because of unavailability or because the available material did not meet recycled plastic postconsumer material quality standards adopted by the board, the manufacturer shall certify that fact to the board.

SEC. 182. Section 42950 of the Public Resources Code is amended to read:

42950. For purposes of this chapter, the following definitions apply:

(a) "Applicant" means any person seeking to register as a waste tire hauler.

(b) "Waste tire" means a tire that is not on the wheel of a vehicle and is no longer suitable for its original intended use due to wear, damage, defect, or deviation from the manufacturer's specifications, including, but not limited to, all used tires, altered waste tires, recappable casings, and scrap tires. "Waste tire" includes tires that have been altered by processes including, but not limited to,

shredding, chopping, and slicing.

(c) "Agricultural purposes" means the use of waste tires as bumpers on agricultural equipment or as a ballast to maintain covers or structures at an agricultural site.

(d) "Common carrier" means a "highway common carrier," as defined in Section 213 of the Public Utilities Code.

SEC. 183. Section 60007 of the Public Resources Code is amended to read:

60007. "State act" means the California Integrated Waste Management Act of 1989 (Division 30 (commencing with Section 40000)).

SEC. 184. Section 1007.5 of the Public Utilities Code is amended to read:

1007.5. The commission, in the exercise of the jurisdiction conferred upon it by the Constitution of the state and by this part, and consistent with Section 9 of Article I of the California Constitution and Section 10 of Article I of the United States Constitution, may grant certificates of public convenience and necessity, make decisions and orders, and prescribe rules affecting vessel common carriers notwithstanding the provisions of any ordinance, permit, or franchise of any city, county, or other political subdivision of this state, and in the case of conflict between any certificate, decision, order, or rule of the commission and any ordinance, permit, or franchise, the certificate, decision, order, or rule of the commission shall prevail.

SEC. 185. Section 2882.5 of the Public Utilities Code is amended and renumbered to read:

2882.5. (a) The following conditions apply to the offering of enhanced services by local exchange telephone corporations, their subsidiaries, and affiliates:

(1) To the extent that the local exchange telephone corporation's facilities, information, assets, and personnel are utilized in the offering of enhanced services, the local exchange telephone corporation's basic telephone service operations shall be not less than fully compensated for their use.

(2) Cross-subsidy of the enhanced services by the noncompetitive services offered by the local exchange telephone corporation is prohibited. When the local exchange telephone corporation requests authority to offer an enhanced service, the commission shall analyze that request, hold hearings if appropriate, and impose safeguards that will prevent this type of cross-subsidy from occurring. However, the commission may expressly authorize cross-subsidy of noncompetitive enhanced services when necessary for the public's health and safety, or to provide necessary information to consumers concerning the telecommunications network.

(3) Anticompetitive behavior by the local exchange telephone corporation with respect to enhanced services is prohibited. When the local exchange telephone corporation requests authority to offer an enhanced service, the commission shall analyze that request, hold

hearings if appropriate, and have in place whatever safeguards are necessary to prevent anticompetitive behavior from occurring.

(b) To the extent that accounting mechanisms are utilized to achieve the purposes of this section, the commission shall perform, or cause to be performed, annual audits to ensure compliance with subdivision (a). The audits shall specifically examine each enhanced service for which the commission has granted an exemption from subdivision (a) of Section 489. The commission may determine that other audits required or performed by the commission, or independent audits required by the Federal Communications Commission, are directly applicable to the intrastate operations under review and satisfy this requirement. Upon request, the audits shall be made available consistent with the commission's procedures for handling proprietary information. The commission may impose additional conditions that are not in conflict with the above provisions.

(c) To the extent necessary to ensure that competition in enhanced service markets is fair, the commission shall do all of the following:

(1) Ensure nondiscriminatory access by all enhanced service providers to the local exchange telecommunications network capabilities, including network billing services, on equivalent terms, conditions, price, and quality as are made available to the local exchange telephone corporation's enhanced services operations, affiliates, subsidiaries, partners, and joint ventures.

(2) Disaggregate and price the elemental capabilities of the local exchange telephone corporation's telephone network.

(3) Consider whether the local exchange telephone corporation's customer proprietary network information and services that are ancillary to the local exchange telecommunications network capabilities should be made available to all enhanced service providers.

(4) Implement any other procedures that are necessary to ensure fair competition.

(d) The commission may exempt local exchange telephone corporations serving less than 500,000 access lines from subdivisions (b) and (c).

(e) If a local exchange telephone corporation is found by the commission or any court of competent jurisdiction to have improperly and materially cross-subsidized an enhanced service or to have behaved in an unlawfully anticompetitive manner in the offering of an enhanced service, any exemption from subdivision (a) of Section 489 granted by the commission to that local exchange telephone corporation for that enhanced service shall be revoked. The commission shall consider the impact of the cross-subsidy on consumers, competitors, and the market for that enhanced service when determining whether a cross-subsidy is material. Twelve months subsequent to the revocation of the exemption, the local exchange telephone corporation may reapply to the commission for

an exemption from subdivision (a) of Section 489.

(f) Nothing in this section shall limit the commission's authority to impose other sanctions on the local exchange telephone corporation, including fines or penalties, or both, for violations of this section. The fines or penalties, or both, shall not be recoverable from ratepayers. The commission shall consider handling complaints about cross-subsidy or anticompetitive behavior on an expedited basis.

(g) For purposes of this section, enhanced services are defined as services offered over telecommunications facilities that employ computer processing applications that act on the format, content, code, protocol, or similar aspects of the subscriber's transmitted information, provide the subscriber additional, different, or restructured information, or involve subscriber interaction with stored information.

(h) Nothing in this section shall be construed to limit the authority of the commission to perform its duties, including resolving consumer complaints, in relation to any services offered.

(i) Nothing in this section shall require that the commission exempt any enhanced service or enhanced service provider from subdivision (a) of Section 489. The commission shall have the authority to revoke at any time any exemptions granted pursuant to this section.

(j) Nothing in this section limits the authority of the commission to protect customers' privacy.

(k) The commission shall report to the Legislature on a timely basis if any of the penalty provisions of subdivision (e) or (f) are invoked.

(l) This section shall remain in effect only until January 1, 1998, and as of that date is repealed, unless a later enacted statute, which is enacted before January 1, 1998, deletes or extends that date.

SEC. 186. Section 2872 of the Public Utilities Code is amended to read:

2872. (a) The connection of automatic dialing-announcing devices to a telephone line is subject to this article and to the jurisdiction, control, and regulation of the commission.

(b) No person shall operate an automatic dialing-announcing device except in accordance with this article. The use of such a device by any person, either individually or acting as an officer, agent, or employee of a person or corporation operating automatic dialing-announcing devices, is subject to this article.

(c) No person shall operate an automatic dialing-announcing device in this state to place a call that is received by a telephone in this state during the hours between 9 p.m. and 9 a.m. California time.

(d) This article does not prohibit the use of an automatic dialing-announcing device by any person exclusively on behalf of any of the following:

(1) A school for purposes of contacting parents or guardians of pupils regarding attendance.

(2) An exempt organization under the Bank and Corporation Tax Law (Part 11 (commencing with Section 23001) of Division 2 of the Revenue and Taxation Code) for purposes of contacting its members.

(3) A privately owned or publicly owned cable television system for purposes of contacting customers or subscribers regarding the previously arranged installation of facilities on the premises of the customer or subscriber.

(4) A privately owned or publicly owned public utility for purposes of contacting customers or subscribers regarding the previously arranged installation of facilities on the premises of the customer or subscriber or for purposes of contacting employees for emergency actions or repairs required for public safety or to restore services.

(5) A petroleum refinery, chemical processing plant, or nuclear powerplant for purposes of advising residents, public service agencies, and the news media in its vicinity of an actual or potential life-threatening emergency.

(e) This article does not prohibit law enforcement agencies, fire protection agencies, public health agencies, public environmental health agencies, city or county emergency services planning agencies, or any private for-profit agency operating under contract with, and at the direction of, one or more of these agencies, from placing calls through automatic dialing-announcing devices, if those devices are used for any of the following purposes:

(1) Providing public service information relating to public safety.

(2) Providing information concerning police or fire emergencies.

(3) Providing warnings of impending or threatened emergencies.

These calls shall not be subject to Section 2874.

(f) This article does not apply to any automatic dialing-announcing device that is not used to randomly or sequentially dial telephone numbers but that is used solely to transmit a message to an established business associate, customer, or other person having an established relationship with the person using the automatic dialing-announcing device to transmit the message, or to any call generated at the request of the recipient.

(g) The commission may determine any question of fact arising under this section.

SEC. 187. Section 2891.1 of the Public Utilities Code is amended to read:

2891.1. (a) Notwithstanding Section 2891, a telephone corporation selling or licensing lists of residential subscribers shall not include the telephone number of any subscriber assigned an unlisted or unpublished access number.

(b) A subscriber may waive all or part of the protection provided by this section through written notice to the telephone corporation.

(c) This section does not apply to the provision of telephone numbers to the following parties for the purposes indicated:

(1) To a collection agency, to the extent disclosures made by the

agency are supervised by the commission, exclusively for the collection of unpaid debts.

(2) (A) To any law enforcement agency, fire protection agency, public health agency, public environmental health agency, city or county emergency services planning agency, or private for-profit agency operating under contract with, and at the direction of, one or more of these agencies, for the exclusive purpose of responding to a 911 call or communicating an imminent threat to life or property.

(B) Any information or records provided to a private for-profit agency pursuant to this subdivision shall be held in confidence by that agency and by any individual employed by or associated with that agency. This information or these records shall not be open to examination for any purpose not directly connected with the administration of the services specified in subdivision (e) of Section 2872 or this paragraph.

(3) To a lawful process issued under state or federal law.

(4) To a telephone corporation providing service between service areas for the provision to the subscriber of telephone service between service areas, or to third parties for the limited purpose of providing billing services.

(5) To the commission pursuant to its jurisdiction and control over telephone and telegraph corporations.

(d) Every deliberate violation of this section is grounds for a civil suit by the aggrieved subscriber against the organization or corporation and its employees responsible for the violation.

(e) For purposes of this section, "unpublished or unlisted access number" means a telephone, telex, teletex, facsimile, computer modem, or any other code number that is assigned to a subscriber by a telephone or telegraph corporation for the receipt of communications initiated by other telephone or telegraph customers and that the subscriber has requested that the telephone or telegraph corporation keep in confidence.

(f) No telephone corporation, nor any official or employee thereof, shall be subject to criminal or civil liability for the release of customer information as authorized by this section.

SEC. 188. Section 3910 of the Public Utilities Code is amended to read:

3910. (a) No highway carrier shall engage in any interstate or foreign transportation of property or passengers for compensation by motor vehicle on any public highway in this state without first having registered the operation with the commission or with the carrier's base registration state, if other than California, as determined in accordance with final regulations issued by the Interstate Commerce Commission pursuant to the Intermodal Surface Transportation Efficiency Act of 1991 (49 U.S.C., Sec. 11506). To register with the commission, a highway carrier shall comply with the following:

(1) When the operation requires authority from the Interstate Commerce Commission under the Interstate Commerce Act, a copy of that authority shall be filed with the initial application for

registration. A copy of any additions or amendments to the authority shall be filed with the commission. Proof of public liability protection shall also be filed with the commission.

(2) If the operation does not require authority from the Interstate Commerce Commission under the Interstate Commerce Act, an affidavit of that exempt status shall be filed with the application for registration.

(b) The commission shall grant registration upon the filing of the application pursuant to applicable law and the payment of any applicable fees, subject to the highway carrier's compliance with this chapter.

SEC. 189. Section 3911 of the Public Utilities Code is amended to read:

3911. The commission shall establish fees to be charged for registration consistent with the final regulations embodying standards as set forth in the Intermodal Surface Transportation Efficiency Act of 1991 (49 U.S.C., Sec. 11506) and adopted by the Interstate Commerce Commission.

SEC. 190. Section 99401.5 of the Public Utilities Code is amended to read:

99401.5. Prior to making any allocation not directly related to public transportation services, specialized transportation services, or facilities provided for the exclusive use of pedestrians and bicycles, the transportation planning agency shall annually do all of the following:

(a) Consult with the social services transportation advisory council established pursuant to Section 99238.

(b) Identify the transit needs of the jurisdiction which have been considered as part of the transportation planning process, including the following:

(1) An annual assessment of the size and location of identifiable groups likely to be transit dependent or transit disadvantaged, including, but not limited to, the elderly, the handicapped, including individuals eligible for paratransit and other special transportation services pursuant to Section 12143 of Title 42 of the United States Code (the federal Americans with Disabilities Act of 1990 (42 U.S.C. Sec. 12101, et seq.)), and persons of limited means.

(2) An analysis of the adequacy of existing public transportation services and specialized transportation services, including privately and publicly provided services necessary to implement the plan prepared pursuant to Section 12143 (c) (7) of Title 42 of the United States Code, in meeting the transit demand identified pursuant to paragraph (1).

(3) An analysis of the potential alternative public transportation and specialized transportation services and service improvements that would meet all or part of the transit demand.

(c) Identify the unmet transit needs of the jurisdiction and those needs that are reasonable to meet. The transportation planning agency shall hold at least one public hearing pursuant to Section

99238.5 for the purpose of soliciting comments on the unmet transit needs that may exist within the jurisdiction and that might be reasonable to meet by establishing or contracting for new public transportation or specialized transportation services or by expanding existing services. The definition adopted by the transportation planning agency for the terms “unmet transit needs” and “reasonable to meet” shall be documented by resolution or in the minutes of the agency. The fact that an identified transit need cannot be fully met based on available resources shall not be the sole reason for finding that a transit need is not reasonable to meet. An agency’s determination of needs that are reasonable to meet shall not be made by comparing unmet transit needs with the need for streets and roads.

(d) Adopt by resolution a finding for the jurisdiction, after consideration of all available information compiled pursuant to subdivisions (a), (b), and (c). The finding shall be that (1) there are no unmet transit needs, (2) there are no unmet transit needs that are reasonable to meet, or (3) there are unmet transit needs, including needs that are reasonable to meet. The resolution shall include information developed pursuant to subdivisions (a), (b), and (c) which provides the basis for the finding.

(e) If the transportation planning agency adopts a finding that there are unmet transit needs, including needs that are reasonable to meet, then the unmet transit needs shall be funded before any allocation is made for streets and roads within the jurisdiction.

SEC. 191. Section 74.3 of the Revenue and Taxation Code is amended to read:

74.3. (a) For purposes of subdivision (a) of Section 2 of Article XIII A of the California Constitution, “newly constructed” does not include the construction, installation, or modification of any portion or structural component of an existing single- or multiple-family dwelling that is eligible for the homeowner’s exemption as described in Section 218, if the construction, installation, or modification is for the purpose of making the dwelling more accessible to a severely and permanently disabled person who is a permanent resident of the dwelling.

(b) For purposes of this section, “a severely and permanently disabled person” is any person who has a physical disability or impairment, whether from birth or by reason of accident or disease, that results in a functional limitation as to employment or substantially limits one or more major life activities of that person, and that has been diagnosed as permanently affecting the person’s ability to function, including, but not limited to, any disability or impairment that affects sight, speech, hearing, or the use of any limbs.

(c) For purposes of this section, “accessible” means that combination of elements with regard to any dwelling that provides for access to, circulation throughout, and the full use of, the dwelling and any fixture, facility, or item therein. The construction of an

entirely new addition, such as a bedroom or bath, that duplicates existing facilities in the dwelling that are not otherwise available to the disabled resident solely because of his or her disability, shall be deemed to make the dwelling more accessible within the meaning and for the purposes of this section.

(d) The exclusion provided by this section shall apply only to those improvements or features that specially adapt a dwelling accessibility by a severely and permanently disabled person. The value of any improvement, addition, or modification excluded pursuant to this section shall not include any other functional improvement, addition, or modification to the property unless it is merely incidental to the qualified improvements or features.

(e) The exclusion provided by this section shall not apply to the construction of an entirely new dwelling.

(f) The construction, installation, or modification, with regard to an existing building, for purposes of making the structure more accessible to a disabled person, shall be eligible for exclusion pursuant to this section only if the disabled person, or his or her spouse or legal guardian, submits to the assessor both of the following:

(1) A statement signed by a licensed physician or surgeon, of appropriate specialty which certifies that the person is severely and permanently disabled as defined in subdivision (b), and identifies specific disability-related requirements necessitating accessibility improvements or features.

(2) A statement that identifies the construction, installation, or modification that was in fact necessary to make the structure more accessible to the disabled person.

(g) The assessor may charge a fee to the disabled person or his or her spouse or legal guardian sufficient to reimburse the assessor for the costs of processing and administering the statement required by subdivision (f).

(h) This section shall apply to construction, installations, or modifications completed on or after June 6, 1990.

SEC. 192. Section 97.036 of the Revenue and Taxation Code, as added by Chapter 901 of the Statutes of 1993, is amended and renumbered to read:

97.034. (a) Notwithstanding any other provision of this chapter, the water quality control compliance costs of a qualified special district for the relevant fiscal year shall be deducted from the amount of property tax revenue subject to reduction with respect to that district under Section 97.03 for the 1992–93 fiscal year, under Section 97.035 for the 1993–94 fiscal year, and under any statute with respect to any subsequent fiscal year that would reduce the amount of property tax revenue deemed allocated in the prior fiscal year to that district for purposes of increasing the amount of property tax revenue allocated to another jurisdiction.

(b) For purposes of this section:

(1) A “qualified special district” means any special district that is required to comply with Chapter 12 (commencing with Section

13950) of Division 7 of the Water Code.

(2) "Water quality control compliance costs" mean those costs, including, but not limited to, reserves for nongrowth facility augmentation and replacement and environmental protection, that are determined by the county auditor in accordance with subdivision (a) to have been incurred by a qualified special district in complying with Chapter 12 (commencing with Section 13950) of Division 7 of the Water Code.

(c) The auditor may assess each qualified special district its share of the auditor's actual and reasonable costs of complying with this section. For purposes of this subdivision, each share of costs shall be determined in accordance with that district's proportional share of the total amount of water quality control compliance costs determined by the auditor for purposes of this section for each fiscal year.

SEC. 193. Section 97.036 of the Revenue and Taxation Code, as added by Chapter 905 of the Statutes of 1993, is amended to read:

97.036. (a) The Director of Finance may reduce the amount of the transfer to the Educational Revenue Augmentation Account determined pursuant to subdivision (a) of Section 97.035 for any eligible county as described in subdivision (b) of this section. The total amount of the reductions for all counties that may be authorized pursuant to this section shall not exceed two million dollars (\$2,000,000).

(b) For purposes of this section, an "eligible county" is a county with a population of less than 350,000 as reported in the 1990 federal census that had a fire element of the tax bill in 1977-78, that continues to fund some portion of those costs from the county general fund in 1993-94, and that provides these services in the same manner as a special district less than countywide and has so indicated in the Controller's Report on Financial Transactions Concerning Counties.

(c) For each eligible county, the county auditor may submit the following information to the Director of Finance not later than November 1, 1993:

(1) The amount of property tax allocated to the county fire district in the 1977-78 fiscal year.

(2) The amount allocated from the county budget to the county fire district in the 1978-79 fiscal year.

(3) The amount of property tax reduction for the county fire district attributable to the passage of Article XIII A of the California Constitution by the voters in the primary election in June 1978.

(4) The amount of money allocated from the county budget to the county fire district in the 1993-94 fiscal year.

(5) The amount allocated to the county fire district from the Special District Augmentation Fund in the 1992-93 fiscal year.

(d) For each eligible county that submits to the Director of Finance by November 1, 1993, the information described in subdivision (c), the Director of Finance shall make the following calculations:

(1) Multiply the amount of property tax allocated to the county fire district in the 1977-78 fiscal year by the change in the value of the property tax base for the county from the 1977-78 fiscal year to the 1978-79 fiscal year.

(2) Subtract the amount reported pursuant to paragraph (3) of subdivision (c) from the amount determined pursuant to paragraph (1).

(3) Multiply the amount determined pursuant to paragraph (2) by an amount determined by the Director of Finance to be the change in assessed value for the county from the 1978-79 fiscal year to the 1993-94 fiscal year.

(4) Multiply the amount reported pursuant to paragraph (5) of subdivision (c) by 1.038.

(5) Add the amount determined pursuant to paragraph (3) to the amount determined pursuant to paragraph (4).

(6) Subtract the amount determined pursuant to paragraph (5) from the amount reported pursuant to paragraph (4) of subdivision (c).

(e) The Director of Finance shall determine the sum of all the amounts determined pursuant to paragraph (6) of subdivision (d).

(f) If the sum determined pursuant to subdivision (e) is greater than two million dollars (\$2,000,000), then the Director of Finance shall proportionately reduce the amount for each county so that the total of the amounts for all counties does not exceed two million dollars (\$2,000,000). If the sum determined pursuant to subdivision (e) does not exceed two million dollars (\$2,000,000), then the Director of Finance shall not reduce the amount determined for each county.

(g) The Director of Finance shall by January 15, 1994, notify each county of its reduction in the amount to be transferred to the Educational Revenue Augmentation Account pursuant to subdivision (a) of Section 97.035. The maximum amount of the reduction that may be authorized pursuant to this section is one-half the amount determined pursuant to subdivision (f).

SEC. 194. Section 97.038 of the Revenue and Taxation Code, as added by Chapter 900 of the Statutes of 1993, is amended and renumbered to read:

97.039. Notwithstanding Section 97.035, the amount of property tax revenues of a community service district that is subject to reduction pursuant to that section shall not include those property tax revenues, up to the amount of ninety thousand dollars (\$90,000), that are allocated by that district to "police protection and personal safety" activities, as indicated in the 1989-90 edition of the Controller's Report on the Financial Transactions of Special Districts in California.

SEC. 195. Section 254.5 of the Revenue and Taxation Code is amended to read:

254.5. (a) Affidavits for the welfare exemption and the veterans' organization exemption shall be filed in duplicate on or before March

15 of each year with the assessor. Affidavits of organizations filing for the first time shall be accompanied by duplicate certified copies of the financial statements of the owner and operator. Thereafter, financial statements shall be submitted only if requested in writing by either the assessor or the board. Copies of the affidavits and financial statements shall be forwarded not later than April 1 by the assessor with his or her recommendations for approval or denial to the board which shall review all the affidavits and statements and may institute an independent audit or verification of the operations of the owner and operator to ascertain whether both the owner and operator meet the requirements of Section 214 of the Revenue and Taxation Code. In this connection the board shall consider, among other matters, whether:

(1) The services and expenses of the owner or operator (including salaries) are excessive, based upon like services and salaries in comparable public institutions.

(2) The operations of the owner or operator, either directly or indirectly, materially enhance the private gain of any individual or individuals.

(3) Any capital investment of the owner or operator for expansion of physical plant is justified by the contemplated return thereon, and required to serve the interests of the community.

(4) The property on which exemption is claimed is used for the actual operation of an exempt activity and does not exceed an amount of property reasonably necessary to the accomplishment of the exempt purpose.

(b) The board shall make a finding as to the eligibility of each applicant and the applicant's property and shall forward its finding to the assessor concerned. In a case where the board conducts a hearing with respect to the eligibility of the applicant and the applicant's property, the finding shall be forwarded to the assessor concerned within 30 days after the decision is made by the board following the hearing. The assessor may deny the claim of an applicant the board finds eligible but may not grant the claim of an applicant the board finds ineligible.

(c) Notwithstanding subdivision (a), an applicant, granted a welfare exemption and owning any property exempted pursuant to Section 231, shall not be required to reapply for the welfare exemption in any subsequent year in which there has been no transfer of, or other change in title to, the exempted property and the property is used exclusively by a governmental entity for its interest and benefit. The applicant shall notify the assessor on or before March 15 if, on or before the preceding lien date, the applicant became ineligible for the welfare exemption or if, on or before that lien date, the property was no longer owned by the applicant or otherwise failed to meet all requirements for the welfare exemption.

Prior to the lien date, the assessor shall annually mail a notice to every applicant relieved of the requirement of filing an annual

application by this subdivision.

The notice shall be in a form and contain that information that the board may prescribe, and shall set forth the circumstances under which the property may no longer be eligible for exemption and advise the applicant of the duty to inform the assessor if the property is no longer eligible for exemption.

The notice shall include a card that is to be returned to the assessor by any applicant desiring to maintain eligibility for the welfare exemption under Section 231. The card shall be in the following form:

To all persons who have received a welfare exemption under Section 231 of the Revenue and Taxation Code for the _____ fiscal year.

Question: Will the property to which the exemption applies in the _____ fiscal year continue to be used exclusively by government for its interest and benefit in the _____ fiscal year?

YES _____ NO _____

Signature: _____

Title: _____

Failure to return this card does not of itself constitute a waiver of exemption as called for by the California Constitution, but may result in onsite inspection to verify exempt activity.

(d) Upon any indication that a welfare exemption has been incorrectly granted, the assessor shall redetermine eligibility for the exemption. If the assessor determines that the property, or any portion thereof, is no longer eligible for the exemption, he or she shall immediately cancel the exemption on so much of the property as is no longer eligible for the exemption.

(e) If a welfare exemption has been incorrectly allowed, an escape assessment as provided by Article 4 (commencing with Section 531) of Chapter 3 in the amount of the exemption, with interest as provided in Section 506, shall be made, and a penalty shall be assessed for any failure to notify the assessor as required by this section in an amount equaling 10 percent of the escape assessment, but in no event exceeding two hundred fifty dollars (\$250).

SEC. 196. Section 2188.8 of the Revenue and Taxation Code is amended to read:

2188.8. (a) Whenever the assessor receives a written request for separate assessment of timeshare estates in a timeshare project, as defined in Section 11003.5 of the Business and Professions Code and as specified in subdivision (h) of this section, the assessor shall, on the first lien date that occurs more than 60 days following the request, and on each lien date thereafter, separately assess each timeshare

estate in the project if the assessor determines that the conditions specified in subdivision (c) have been met. Whenever estates in a timeshare project are separately assessed, they shall continue to be separately assessed in subsequent fiscal years and once a request for separate assessment is made with respect to a project, it is binding on all future timeshare estate owners.

(b) The interest that is to be separately assessed is the value of the right of recurrent, exclusive use or occupancy of real property, annually or on some other periodic basis, for a specific period of time that has been, or will be, allotted from the use or occupancy periods into which the project has been divided.

(c) The separate assessment of a timeshare estate may not be made by the assessor unless both of the following occur:

(1) The person making the request certifies that the request for separate assessment has been approved in the manner provided in the organizational documents of the organization involved for approval of matters affecting the affairs of the organization generally.

(2) A diagrammatic floor plan of the improvements, a copy of the documents setting forth the procedures for scheduling time and units to each timeshare estate owner, and a list of every timeshare estate owner, with a date notation thereon showing when, according to the organization's records, each timeshare estate was acquired, have been filed with the assessor. A plot map of the land showing the location of the improvements on the land need not be filed unless requested by the assessor. The organization shall file an annual statement for each succeeding assessment year, on or before April 1, with the assessor setting forth any changes to the required information known to the organization. The list or other information provided pursuant to this section is not a public document and shall not be open to public inspection, except as provided in Section 408.

(d) Notwithstanding subdivision (c), this section shall not be construed to require any person making a request for separate assessment to meet the requirements of the Subdivision Map Act, nor shall the approval of any governmental agency be required for separate assessment.

(e) The tax on a timeshare estate that is separately assessed pursuant to this section shall be a lien solely on the timeshare estate and shall be entered on and be subject to all provisions of law applicable to taxes on the secured roll, provided:

(1) If the taxes on any timeshare estate that is separately assessed remain unpaid at the time set for declaration of default for delinquent taxes, the taxes on the timeshare estate, together with any penalties and costs that may have accrued thereon while on the secured roll, may be transferred to the unsecured roll.

(2) Defaulted timeshare estate taxes remaining unpaid on any prior year secured tax roll may be transferred to the unsecured roll and collected like any other tax on the unsecured roll.

(f) The assessor shall provide to the principal office of each

timeshare project within the taxing jurisdiction, at the time and in the manner as he or she deems appropriate, adequate notice of the provisions of this section and other pertinent information relative to the implementation thereof.

(g) The county may charge a fee for processing an application for separate assessment and for the initial and the ongoing costs, not to exceed the actual cost, of the separate assessment and billing, and mailings, with respect to a timeshare project. This fee shall be subject to Chapter 12.5 (commencing with Section 54985) of Part 1 of Division 2 of Title 5 of the Government Code, and shall be proportionately allocated to each of the timeshare estate owners. This fee may be collected commencing with the initial separate tax bills, and on subsequent tax bills, and deposited in the county's general fund.

(h) For purposes of this section, "timeshare estate" applies to timeshare estates, as defined in Section 11003.5 of the Business and Professions Code, that include a fee simple interest in the underlying property involved. However, "timeshare estate" does not include timeshare estates that are coupled with a leasehold interest or an estate for years.

SEC. 197. Section 6073 of the Revenue and Taxation Code is amended to read:

6073. (a) (1) When the board determines it is necessary for the efficient administration of this part, the board may require the operator of a swap meet, flea market, or special event as a prerequisite to renting or leasing space on the premises owned or controlled by that operator to a person desiring to engage in or conduct business as a seller, to obtain written evidence that the seller is the holder of a valid seller's permit issued pursuant to Section 6067, or a written statement from the seller that he or she is not offering for sale any item that is taxable under this part or is otherwise not required to hold a valid seller's permit.

(2) In providing the board with documentation required by the board pursuant to paragraph (1), an operator of a swap meet, flea market, or special event may require each person desiring to engage in or conduct business as a seller at that swap meet, flea market, or special event to provide his or her driver's license number to the operator on a form authorized by the board or under Section 6073.1.

(b) At any time as the board may specify in a written notice, but in no case more than three times in a calendar year, the board may require an operator to submit to the board a list of vendors conducting business on their premises as a seller. Each listing shall be provided to the board within 30 days after the date of the board's notice. The list shall contain the name and seller's permit number for permitholders and the name, address, and driver's license number for vendors who do not have a seller's permit. Records shall be retained as provided in Section 7053.

(c) "Swap meet, flea market, or special event," as used in this section, means an activity involving a series of sales sufficient in

number, scope, and character to constitute a regular course of business, or any event at which two or more persons offer tangible personal property for sale or exchange and at which a fee is charged for the privilege of displaying the property for sale or exchange or at which a fee is charged to prospective buyers for admission to the area where the property is offered or displayed for sale or exchange.

(d) Any operator of a swap meet, flea market, or special event who fails or refuses to comply with this section is subject to a penalty not exceeding one thousand dollars (\$1,000) for each offense.

SEC. 198. Section 6355 of the Revenue and Taxation Code is amended to read:

6355. (a) There are exempted from the taxes imposed by this part the gross receipts from the sale in bulk of monetized bullion, nonmonetized gold or silver bullion, and numismatic coins that are substantially equivalent to transactions in securities or commodities through a national securities or commodities exchange and the storage, use, or other consumption in this state of monetized bullion, nonmonetized gold or silver bullion, and numismatic coins so sold.

(b) (1) A sale in bulk, for purposes of this section, shall be deemed to have occurred if the amount of monetized bullion, nonmonetized gold or silver bullion, and numismatic coins sold in the transaction totals, in market value, the sum of one thousand dollars (\$1,000) or more, or its equivalent.

(2) The board shall adjust the one thousand dollar (\$1,000) amount specified in paragraph (1) as follows:

(A) On or before September 1, 1994, and on or before each September 1 of each year thereafter, the board shall multiply the amount applicable for the current calendar year by the inflation factor adjustment determined by the Franchise Tax Board pursuant to subdivision (h) of Section 17041, the resulting amount to be the applicable amount for the succeeding calendar year. The applicable amount shall be operative as an adjustment of the amount specified in paragraph (1) only when the applicable amount computed is equal to or exceeds a new operative threshold, as defined in subparagraph (C).

(B) When the applicable amount equals or exceeds an operative threshold specified in subparagraph (C), the resulting applicable amount, rounded to the nearest multiple of five hundred dollars (\$500), shall be operative for purposes of paragraph (1) beginning January 1 of the succeeding calendar year.

(C) For purposes of this paragraph, "operative threshold" means an amount that exceeds by at least five hundred dollars (\$500), the greater of either the amount specified in paragraph (1) or the amount computed pursuant to subparagraphs (A) and (B) as the operative adjustment to the amount specified in paragraph (1).

(c) "Monetized bullion," for purposes of this section, means coins or other forms of money manufactured of gold, silver, or other metal and heretofore, now, or hereafter used as a medium of exchange under the laws of this state, the United States, or any foreign nation.

“Monetized bullion,” for purposes of this section, also means gold medallions struck under authority of the American Arts Gold Medallion Act (Title IV of Public Law 95-630).

(d) A sale of monetized bullion, nonmonetized gold or silver bullion, or numismatic coins, for purposes of this section, shall be deemed to be substantially equivalent to a transaction in securities or commodities through a national securities or commodities exchange, if the sale is by or through a person registered pursuant to the Commodity Exchange Act (7 U.S.C. Sec. 1 et seq.) or not required to be registered under the Commodity Exchange Act.

SEC. 199. Section 6358.2 of the Revenue and Taxation Code is amended to read:

6358.2. There are exempted from the taxes imposed by this part the gross receipts from the sale of and the storage, use, or other consumption in this state of wood shavings, sawdust, rice hulls, or other products that are used as litter in poultry and egg production and that are ultimately resold as, or incorporated into, fertilizer products.

SEC. 200. Section 13210 of the Revenue and Taxation Code is amended to read:

13210. (a) For gross premiums paid or to be paid on insurance contracts that take effect or are renewed on or after January 1, 1994, every person who effects insurance governed by Chapter 6 (commencing with Section 1760) of Part 2 of Division 1 of the Insurance Code shall pay a gross premium tax of 3 percent for the use of the state, less 3 percent of returned premiums that were subject to the tax received by reason of cancellation or reduction of premium.

(1) This section shall not apply to either of the following:

(A) Insurance coverage for which a tax on the gross premium is due or has been paid pursuant to Section 1775.5 of the Insurance Code.

(B) Gross premiums paid and returned premiums received by that person upon business governed by the provisions of Section 1760.5 of the Insurance Code.

(2) If, during any calendar quarter 3 percent of the returned premiums received that were subject to the tax imposed by this part exceed 3 percent of the gross premiums paid or to be paid by that person on contracts that took effect or were renewed in that calendar quarter, then that person may either carry forward the excess to a succeeding calendar quarter and apply it as a credit against the 3 percent of gross premiums paid or to be paid by that person in the succeeding calendar quarter, or the person may elect to receive, and be paid a refund equal to the amount of taxes paid by the person on the excess of returned premiums received over gross premiums paid or to be paid.

(b) For purposes of determining the tax, the total premium paid or to be paid for all nonadmitted insurance placed in a single transaction with one underwriter or group of underwriters, whether

in one or more policies, in that calendar quarter during which the taxable insurance contract or contracts took effect or were renewed, shall be allocated to this state in the proportion that the total premium on the insured properties or operations in this state, as computed on the exposure in this state on the basis of any single standard rating method in use in all states or countries where the insurance applies, bears to the total premium so computed in all states or countries in which that nonadmitted insurance may apply.

(c) Subdivision (b) shall not apply to interstate motor transit operations conducted between this and other states. With respect to those operations, the tax shall be payable on the entire premium charged on all nonadmitted insurance, less both of the following:

(1) The portion of the premium that is determined to have been paid for operations in other states taxing the premium on operations in states of an insured maintaining its headquarters office in this state.

(2) The premium for any operations outside of this state of an insured who maintains a headquarters operating office outside of this state and a branch office in this state.

SEC. 201. Section 13221 of the Revenue and Taxation Code is amended to read:

13221. In the event that a person subject to tax is delinquent in the payment of any amount due under this part, and that person also has an amount imposed and due and payable under Part 10 (commencing with Section 17001), Part 10.2 (commencing with Section 18401), or Part 11 (commencing with Section 23001), any amounts collected by the Franchise Tax Board shall be applied first to the payment of those taxes, additions to tax, penalties, interest, fees, or other amounts imposed and due and payable under Part 10 (commencing with Section 17001), Part 10.2 (commencing with Section 18401), or Part 11 (commencing with Section 23001).

SEC. 202. Section 17053.45 of the Revenue and Taxation Code is amended to read:

17053.45. (a) For each taxable year beginning on or after January 1, 1995, and before January 1, 2003, there shall be allowed as a credit against the "net tax" (as defined by Section 17039) an amount equal to the sales or use tax paid or incurred by the taxpayer in connection with the purchase of qualified property to the extent that the qualified property does not exceed a value of one million dollars (\$1,000,000).

(b) For purposes of this section:

(1) "LAMBRA" means a local agency military base recovery area designated in accordance with Section 7114 of the Government Code.

(2) "Taxpayer" means a taxpayer or partnership that conducts a trade or business within a LAMBRA and, for the first two taxable years, has a net increase in jobs (defined as 2,000 paid hours per employee per year) of one or more employees in the LAMBRA.

(A) The net increase in the number of jobs shall be determined

by subtracting the total number of full-time employees (defined as 2,000 paid hours per employee per year) the taxpayer employed in this state in the taxable year prior to commencing business operations in the LAMBRA from the total number of full-time employees the taxpayer employed in this state during the second taxable year after commencing business operations in the LAMBRA. For taxpayers who commence doing business in this state with their LAMBRA business operation, the number of employees for the taxable year prior to commencing business operations in the LAMBRA shall be zero. If the taxpayer has a net increase in jobs in the state, the credit shall be allowed only if one or more full-time employees is employed within the LAMBRA.

(B) The total number of employees employed in the LAMBRA shall equal the sum of both of the following:

(i) The total number of hours worked in the LAMBRA for the taxpayer by employees (not to exceed 2,000 hours per employee) who are paid an hourly wage divided by 2,000.

(ii) The total number of months worked in the LAMBRA for the taxpayer by employees who are salaried employees divided by 12.

(C) In the case of a taxpayer who first commences doing business in the LAMBRA during the taxable year, for purposes of clauses (i) and (ii), respectively, of subparagraph (B) the divisors "2,000" and "12" shall be multiplied by a fraction, the numerator of which is the number of months of the taxable year that the taxpayer was doing business in the LAMBRA and the denominator of which is 12.

(3) "Qualified property" means the purchase of any of the following for exclusive use in a LAMBRA:

(A) High technology equipment, including, but not limited to, computers and electronic processing equipment.

(B) Aircraft maintenance equipment, including, but not limited to, engine stands, hydraulic mules, power carts, test equipment, handtools, aircraft start carts, and tugs.

(C) Aircraft components, including, but not limited to, engines, fuel control units, hydraulic pumps, avionics, starts, wheels, and tires.

(D) Any property that is Section 1245 property, as defined in Section 1245(a) (3) of the Internal Revenue Code.

(c) The credit provided under subdivision (a) shall be allowed only for qualified property manufactured in California unless qualified property of a comparable quality and price is not available for timely purchase and delivery from a California manufacturer.

(d) In the case where the credit allowed under subdivision (a) exceeds the limitation set forth in subdivision (f), that portion of the credit which exceeds the limitation may be carried over and added to the credit computed under subdivision (a) in succeeding years, until the credit is exhausted.

(e) Any taxpayer who elects to be subject to this section shall not be entitled to increase the basis of the property as otherwise required by Section 164(a) of the Internal Revenue Code with respect to sales or use tax paid or incurred in connection with the purchase of

qualified property.

(f) The amount of the credit provided by this section, including credit carryover from prior years, in any taxable year shall not exceed the amount of tax that would be imposed on the income attributed to business activities of the taxpayer within a LAMBRA as if that attributable income represented all the income of the taxpayer subject to tax under this part. In the event that a credit carryover is allowable under subdivision (d) for any taxable year after the LAMBRA designation has expired, the LAMBRA shall be deemed to remain in existence for purposes of computing this limitation. The amount of that income shall be determined in accordance with Article 2 (commencing with Section 25120) of Chapter 17 of Part 11, modified for purposes of this section as follows:

(1) Income shall be apportioned to a LAMBRA by multiplying total income from the business by a fraction, the numerator of which is the property factor, plus the payroll factor, and the denominator of which is 2.

(2) "The LAMBRA" shall be substituted for "this state."

(g) (1) If the qualified property is disposed of or no longer used by the taxpayer in the local agency military base recovery area, at any time before the close of the second taxable year after the property is placed in service, the amount of the credit previously claimed, with respect to that property, shall be added to the taxpayer's tax liability in the taxable year of that disposition or nonuse.

(2) At the close of the second taxable year, if the taxpayer has not increased the number of its employees as determined by paragraph (2) of subdivision (b), then the amount of the credit previously claimed shall be added to the taxpayer's net tax for the taxpayer's second taxable year.

(h) In the case where "qualified property" qualifies for a credit under more than one section in this part, the taxpayer shall make an election as to which section applies to that qualified property.

(i) This section shall remain in effect only until December 1, 2003, and as of that date is repealed. However, any unused credit may continue to be carried forward as provided in subdivision (d), until the credit is exhausted.

SEC. 203. Section 17053.46 of the Revenue and Taxation Code is amended to read:

17053.46. (a) For each taxable year beginning on or after January 1, 1995, and before January 1, 2003, there shall be allowed as a credit against the "net tax" (as defined in Section 17039) to a qualified taxpayer for hiring a qualified disadvantaged individual or a qualified displaced employee during the taxable year for employment in the LAMBRA. The credit shall be equal to the sum of each of the following:

(1) Fifty percent of the qualified wages in the first year of employment.

(2) Forty percent of the qualified wages in the second year of

employment.

(3) Thirty percent of the qualified wages in the third year of employment.

(4) Twenty percent of the qualified wages in the fourth year of employment.

(5) Ten percent of the qualified wages in the fifth year of employment.

(b) For purposes of this section:

(1) "Qualified wages" means the wages paid or incurred by the employer during the taxable year to qualified disadvantaged individuals or qualified displaced employees. "Qualified wages" means that portion of hourly wages which does not exceed 150 percent of the minimum wage. Qualified wages paid or incurred by the qualified taxpayer during qualified years one through five used to calculate this credit shall not exceed two million dollars (\$2,000,000).

(2) "Qualified years one through five wages" means, with respect to any individual, qualified wages received during the 60-month period beginning with the day the individual commences employment within a LAMBRA.

(3) "Minimum wage" means the wage established by the Industrial Welfare Commission as provided for in Chapter 1 (commencing with Section 1171) of Part 4 of Division 2 of the Labor Code.

(4) "LAMBRA" means a local agency military base recovery area designated in accordance with Section 7114 of the Government Code.

(5) "Qualified disadvantaged individual" means an individual who satisfies all of the following requirements:

(A) (i) At least 90 percent of whose services for the taxpayer during the taxable year are directly related to the conduct of the taxpayer's trade or business located in a LAMBRA.

(ii) Who performs at least 50 percent of his or her services for the taxpayer during the taxable year in the LAMBRA.

(B) Who is hired by the employer after the designation of the area as a LAMBRA in which the individual's services were primarily performed.

(C) Any of the following:

(i) An individual who has been determined eligible for services under the federal Job Training Partnership Act (29 U.S.C. Sec. 1501 et seq.).

(ii) Any voluntary or mandatory registrant under the Greater Avenues for Independence Act of 1985 as provided pursuant to Article 3.2 (commencing with Section 11320) of Chapter 2 of Part 3 of Division 9 of the Welfare and Institutions Code.

(iii) Any individual who has been certified eligible by the Employment Development Department under the federal Targeted Jobs Tax Credit Program whether or not this program is in effect.

(6) "Qualified taxpayer" means a taxpayer or partnership that

conducts a trade or business within a LAMBRA and, for the first two taxable years, has a net increase in jobs (defined as 2,000 paid hours per employee per year) of one or more employees in the LAMBRA.

(A) The net increase in the number of jobs shall be determined by subtracting the total number of full-time employees (defined as 2,000 paid hours per employee per year) the taxpayer employed in this state in the taxable year prior to commencing business operations in the LAMBRA from the total number of full-time employees the taxpayer employed in this state during the second taxable year after commencing business operations in the LAMBRA. For taxpayers who commence doing business in this state with their LAMBRA business operation, the number of employees for the taxable year prior to commencing business operations in the LAMBRA shall be zero. If the taxpayer has a net increase in jobs in the state, the credit shall be allowed only if one or more full-time employees is employed within the LAMBRA.

(B) The total number of employees employed in the LAMBRA shall equal the sum of both of the following:

(i) The total number of hours worked in the LAMBRA for the taxpayer by employees (not to exceed 2,000 hours per employee) who are paid an hourly wage divided by 2,000.

(ii) The total number of months worked in the LAMBRA for the taxpayer by employees who are salaried employees divided by 12.

(C) In the case of a taxpayer who first commences doing business in the LAMBRA during the taxable year, for purposes of clauses (i) and (ii), respectively, of subparagraph (B) the divisors "2,000" and "12" shall be multiplied by a fraction, the numerator of which is the number of months of the taxable year that the taxpayer was doing business in the LAMBRA and the denominator of which is 12.

(7) "Qualified displaced employee" means an individual who satisfies all of the following requirements:

(A) Any civilian or military employee of a base or former base who has been displaced as a result of a federal base closure act.

(B) (i) At least 90 percent of whose services for the taxpayer during the taxable year are directly related to the conduct of the taxpayer's trade or business located in a LAMBRA.

(ii) Who performs at least 50 percent of his or her services for the taxpayer during the taxable year in a LAMBRA.

(C) Who is hired by the employer after the designation of the area in which services were performed as a LAMBRA.

(c) (1) For purposes of this section, both of the following apply:

(A) All employees of trades or businesses that are under common control shall be treated as employed by a single employer.

(B) The credit (if any) allowable by this section with respect to each trade or business shall be determined by reference to its proportionate share of the qualified wages giving rise to the credit.

The regulations prescribed under this paragraph shall be based on principles similar to the principles that apply in the case of controlled groups of corporations as specified in subdivision (e) of Section

23622.

(2) If an employer acquires the major portion of a trade or business of another employer (hereinafter in this paragraph referred to as the "predecessor") or the major portion of a separate unit of a trade or business of a predecessor, then, for purposes of applying this section (other than subdivision (f)) for any calendar year ending after that acquisition, the employment relationship between an employee and an employer shall not be treated as terminated if the employee continues to be employed in that trade or business.

(d) (1) If the employment of any employee, with respect to whom qualified wages are taken into account under subdivision (a) is terminated by the taxpayer at any time during the first 270 days of that employment (whether or not consecutive) or before the close of the 270th calendar day after the day in which that employee completes 90 days of employment with the taxpayer, the tax imposed by this part for the taxable year in which that employment is terminated shall be increased by an amount (determined under those regulations) equal to the credit allowed under subdivision (a) for that taxable year and all prior taxable years attributable to qualified wages paid or incurred with respect to that employee.

(2) (A) Paragraph (1) shall not apply to any of the following:

(i) A termination of employment of an employee who voluntarily leaves the employment of the taxpayer.

(ii) A termination of employment of an individual who, before the close of the period referred to in paragraph (1), becomes disabled to perform the services of that employment, unless that disability is removed before the close of that period and the taxpayer fails to offer reemployment to that individual.

(iii) A termination of employment of an individual, if it is determined under the applicable employment compensation laws that the termination was due to the misconduct of that individual.

(iv) A termination of employment of an individual due to a substantial reduction in the trade or business operations of the taxpayer.

(v) A termination of employment of an individual, if that individual is replaced by other qualified employees so as to create a net increase in both the number of employees and the hours of employment.

(B) For purposes of paragraph (1), the employment relationship between the taxpayer and an employee shall not be treated as terminated by reason of a mere change in the form of conducting the trade or business of the taxpayer, if the employee continues to be employed in that trade or business and the taxpayer retains a substantial interest in that trade or business.

(3) Any increase in tax under paragraph (1) shall not be treated as tax imposed by this part for purposes of determining the amount of any credit allowable under this part.

(4) At the close of the second taxable year, if the taxpayer has not increased the number of its employees as determined by paragraph

(6) of subdivision (b), then the amount of the credit previously claimed shall be added to the taxpayer's net tax for the taxpayer's second taxable year.

(e) In the case of an estate or trust, both of the following apply:

(1) The qualified wages for any taxable year shall be apportioned between the estate or trust and the beneficiaries on the basis of the income of the estate or trust allocable to each.

(2) Any beneficiary to whom any qualified wages have been apportioned under paragraph (1) shall be treated (for purposes of this part) as the employer with respect to those wages.

(f) The credit shall be reduced by the credit allowed under Section 17053.7. The credit shall also be reduced by the federal credit allowed under Section 51 of the Internal Revenue Code.

In addition, any deduction otherwise allowed under this part for the wages or salaries paid or incurred by the taxpayer upon which the credit is based shall be reduced by the amount of the credit.

(g) In the case where the credit allowed under subdivision (a) exceeds the limitation set forth in subdivision (h), that portion of the credit that exceeds the limitation may be carried over and added to the credit computed under subdivision (a) in succeeding years, until the credit is exhausted.

(h) The amount of the credit including prior year carryovers allowed by this section in any taxable year shall not exceed the amount of tax that would be imposed on the income attributed to business activities of the taxpayer within a LAMBRA as if that attributed net income represented all of the net income of the taxpayer subject to tax under this part. In the event that a credit carryover is allowable under subdivision (g) for any taxable year after the LAMBRA designation has expired, the LAMBRA shall be deemed to remain in existence for purposes of computing this limitation. The amount of that attributed income shall be determined in accordance with the provisions of Article 2 (commencing with Section 25120) of Chapter 17 of Part 11, modified for purposes of this section as follows:

(1) Income shall be apportioned to a LAMBRA by multiplying total income from the business by a fraction, the numerator of which is the property factor plus the payroll factor, and the denominator of which is two.

(2) "The LAMBRA" shall be substituted for "this state."

(i) (1) In the case where "qualified wages" qualify for a credit under more than one section in this part, the taxpayer shall make an election as to which section applies to those qualified wages.

(2) Any election made under this section, and any specification contained in that election, may not be revoked except with the consent of the Franchise Tax Board.

(j) This section shall remain in effect only until December 1, 2003, and as of that date is repealed. However, any unused credit may continue to be carried forward as provided in subdivision (g), until the credit is exhausted.

SEC. 204. Section 17145 of the Revenue and Taxation Code is amended to read:

17145. (a) A management company, or series thereof, is qualified to pay exempt-interest dividends to its shareholders if, at the close of each quarter of its taxable year, at least 50 percent of the value of its total assets consists of obligations which, when held by an individual, the interest therefrom is exempt from taxation by this state.

(b) For purposes of this section:

(1) "Exempt-interest dividend" means any dividend or part thereof paid by a management company or series thereof in an amount not exceeding the interest received by it during its taxable year on obligations that, when held by an individual, the interest therefrom is exempt from taxation by this state, and designated by it as an exempt-interest dividend in a written notice mailed to its shareholders not later than 60 days after the close of its taxable year. If the aggregate amount so designated with respect to a taxable year of the company (including exempt-interest dividends paid after the close of the taxable year as described in Section 855 of the Internal Revenue Code) is greater than the excess of:

(A) The amount of interest received by it during its taxable year on obligations, interest on which, if held by an individual, is exempt from taxation by this state, over

(B) The amounts that, if it were treated as an individual, would be disallowed as deductions under Section 17280 of this part or Section 171 (a) (2) of the Internal Revenue Code, the portion of that distribution that shall constitute an exempt-interest dividend shall be only that proportion of the amount so designated as the amount of that excess for that taxable year bears to the amount so designated.

(2) "Management company" means a regulated investment company as defined by Section 851 of the Internal Revenue Code.

(3) "Series" means a segregated portfolio of assets, the beneficial interest in which is owned by the holders of a class or series of stock of the management company that is preferred over all other classes or series with respect to that portfolio of assets.

(4) "Value" means, with respect to securities (other than those of majority-owned subsidiaries) for which market quotations are readily available, the market value of those securities; and with respect to other securities and assets, fair market value as determined in good faith by the board of directors or trustees, except that in the case of securities of majority-owned subsidiaries that are investment companies, as defined in the Investment Company Act of 1940, that fair value shall not exceed market value or asset value, whichever is higher.

(c) An exempt-interest dividend shall be treated by recipients thereof as an item of interest excludable from income.

SEC. 205. Section 18431.2 of the Revenue and Taxation Code is amended to read:

18431.2. (a) Any return, declaration, statement, or other

document required to be made under this part that is filed using electronic technology shall be in a form as the Franchise Tax Board may prescribe and is not complete, and therefore not filed, unless an electronic filing declaration is signed by the taxpayer, in accordance with Section 18431 in the case of individuals, subdivision (a) of Section 18405 in the case of estates and trusts, or subdivision (a) of Section 17932 in the case of a partnership. The Franchise Tax Board may prescribe forms and instructions for requiring the electronic filing declaration to be retained by the preparer or the taxpayer and may require the declaration to be furnished to the Franchise Tax Board upon request.

(b) Notwithstanding any other provision of law, any return, declaration, statement, or other document otherwise required to be signed that is filed in a traditional medium and captured using electronic imaging technology shall be deemed to be a signed, valid original document upon reproduction to paper form by the Franchise Tax Board.

(c) Notwithstanding any other provision of law, any return, declaration, statement, or other document otherwise required to be signed that is filed by the taxpayer using electronic technology in a form as required by the Franchise Tax Board shall be deemed to be a signed, valid original document, including upon reproduction to paper form by the Franchise Tax Board.

(d) "Electronic imaging technology" means a system of microphotography, optical disk, or reproduction by other technique that does not permit additions, deletions, or changes to the original document. The system may include, but is not limited to, any magnetic media or other machine readable form.

(e) "Traditional medium" means any return, declaration, statement, or other document required to be made pursuant to this article other than those made using electronic technology or electronic imaging technology.

(f) "Electronic technology" includes, but is not limited to, any computer modem, magnetic media, optical disk, facsimile machine, or telephone.

SEC. 206. Section 18512 of the Revenue and Taxation Code, as amended by Chapter 838 of the Statutes of 1993, is repealed.

SEC. 207. Section 18723 of the Revenue and Taxation Code is amended to read:

18723. (a) All moneys transferred to the California Fund for Senior Citizens pursuant to Section 18722, upon appropriation by the Legislature, shall be allocated as follows:

(1) To the Franchise Tax Board and the Controller for reimbursement of all costs incurred by the Franchise Tax Board and the Controller in connection with their duties under this article.

(2) To the California Commission on Aging for allocation as follows:

(A) To the California Senior Legislature, in the 1988-89 fiscal year, and each succeeding fiscal year thereafter, the sum of seventy-five

thousand dollars (\$75,000), or the balance of the fund if less than that amount remains in the fund, for the conduct of sessions of the California Senior Legislature.

(B) The balance, if any, but not to exceed two hundred fifty thousand dollars (\$250,000), to the California Senior Legislature for its ongoing activities on behalf of older persons.

Thirty-three thousand dollars (\$33,000) of the balance allocated under this subparagraph, or the entire balance allocated under this subparagraph if the balance is less than thirty-three thousand dollars (\$33,000), shall be specifically allocated annually for the conduct of elections of members of the California Senior Legislature. That amount may be carried over from fiscal years in which there are no elections and accumulated, in an amount not to exceed sixty-six thousand dollars (\$66,000), for use in election years, and any portion of that amount not used in an election year shall be reallocated pursuant to subparagraph (C).

(C) The balance, if any, to the commission for senior citizen direct service programs through contracts with the Department of Aging and Long-Term Care.

(b) All moneys allocated pursuant to paragraph (2) of subdivision (a) may be carried over from the year in which they were received and encumbered in any following year.

(c) The amount allocated pursuant to subparagraphs (A) and (B) of paragraph (2) of subdivision (a) may be adjusted annually, as determined by the Department of Finance, to reflect changes in salary adjustments, price increases, and travel reimbursement adjustments included for all state agencies in the annual Budget Act.

(d) The funds allocated to the commission for the purposes of funding the activities of the California Senior Legislature shall be spent pursuant to an agreement that is approved by both the commission and the Joint Rules Committee of the California Senior Legislature no later than March 1, 1994, and whose terms are consistent with the bylaws of the California Senior Legislature, established through a majority vote of the California Senior Legislature.

SEC. 208. Section 19531 of the Revenue and Taxation Code, as added by Chapter 31 of the Statutes of 1993, is amended and renumbered to read:

19532. (a) The Franchise Tax Board may charge fees for its "Tax News" publication and its "California Package X." The fees shall include preparation and production costs and other related costs, including, but not limited to, the handling of requests, printing, and postage.

(b) This section shall not apply to documents distributed to public distribution sites.

(c) Fees received under this section shall be handled in accordance with Section 19605.

SEC. 209. Section 24356.3 of the Revenue and Taxation Code is amended to read:

24356.3. (a) A taxpayer may elect to treat 40 percent of the cost of any Section 24356.3 property as an expense that is not chargeable to capital account. Any cost so treated shall be allowed as a deduction for the income year in which the Section 24356.3 property is placed in service.

(b) (1) An election under this section for any income year shall meet both of the following requirements:

(A) Specify the items of Section 24356.3 property to which the election applies and the percentage of the cost of each of those items that is to be taken into account under subdivision (a).

(B) Be made on the taxpayer's return of the tax imposed by this part for the income year.

This election shall be made in the manner that the Franchise Tax Board may by regulations prescribe.

(2) Any election made under this section, and any specification contained in that election, may not be revoked except with the consent of the Franchise Tax Board.

(c) (1) For purposes of this section, "Section 24356.3 property" means property acquired by the taxpayer that is used exclusively in a program area (as defined in Section 7082 of the Government Code) and consists of machinery and machinery parts used for fabricating, processing, assembling, and manufacturing and machinery and machinery parts used for the production of renewable energy resources or air or water pollution control mechanisms.

"Section 24356.3 property" also means property used as an integral part of a qualified business within a program area (as defined in Section 7082 of the Government Code).

(2) For purposes of paragraph (1), "purchase" means any acquisition of property, but only if all of the following apply:

(A) The property is not acquired from a person whose relationship to the person acquiring it would result in the disallowance of losses under Sections 24427 to 24429, inclusive (but, in applying Sections 24428 and 24429 for purposes of this section, subdivision (d) of Section 24429 shall be treated as providing that the family of an individual shall include only his or her spouse, ancestors, and lineal descendants).

(B) The property is not acquired by one member of an affiliated group from another member of the same affiliated group.

(C) The basis of the property in the hands of the person acquiring it is not determined in whole or in part by reference to the adjusted basis of that property in the hands of the person from whom it is acquired.

(3) For purposes of this section, the cost of property does not include so much of the basis of that property as is determined by reference to the basis of other property held at any time by the person acquiring that property.

(4) This section shall not apply to any property for which the taxpayer could not make a federal election under Section 179 of the Internal Revenue Code because of the application of the provisions

of Section 179(d) of the Internal Revenue Code.

(5) For purposes of subdivision (b) of this section, both of the following shall apply:

(A) All members of an affiliated group shall be treated as one taxpayer.

(B) The taxpayer shall apportion the dollar limitation contained in subdivision (f) among the members of the affiliated group in whatever manner the board shall prescribe.

(6) For purposes of paragraphs (2) and (5), "affiliated group" has the meaning assigned to it by Section 1504 of the Internal Revenue Code, except that, for these purposes, the phrase "more than 50 percent" shall be substituted for the phrase "at least 80 percent" each place it appears in Section 1504(a) of the Internal Revenue Code.

(d) For purposes of this section, "taxpayer" means a taxpayer who conducts a qualified business within a program area (as defined in Section 7082 of the Government Code).

(e) Any taxpayer who elects to be subject to this section shall not be entitled to claim additional depreciation pursuant to Section 24356 with respect to any property which constitutes Section 24356.3 property; however, the taxpayer may claim depreciation by any method permitted by Section 24349 commencing with the income year following the income year in which Section 24356.3 property is placed in service.

(f) The aggregate cost that may be taken into account under subdivision (a) for any income year shall not exceed the following applicable amount for the income year of the designation of a program area and income years thereafter:

	The applicable amount is:
Income year of designation	\$100,000
1st income year thereafter	100,000
2nd income year thereafter	75,000
3rd income year thereafter	75,000
Each income year thereafter.....	50,000

(g) Any amounts deducted under subdivision (a) with respect to property which ceases to be qualified property at any time before the close of the second income year after the property is placed in service shall be included in income for that second year.

SEC. 210. Section 30101 of the Revenue and Taxation Code is amended to read:

30101. Every distributor shall pay a tax upon his or her distributions of cigarettes at the rate of one and one-half mills (\$.0015) for the distribution after 4:00 a.m. on July 1, 1959, of each cigarette until 12:01 a.m. on August 1, 1967, at the rate of three and one-half mills (\$.0035) for the distribution of each cigarette on and after August 1, 1967, until 12:01 a.m. on October 1, 1967, at the rate of five mills (\$.005) on and after 12:01 a.m. on October 1, 1967, until

12:01 a.m. on January 1, 1994, and at the rate of six mills (\$0.006) on and after 12:01 a.m. on January 1, 1994.

SEC. 211. Section 30461.6 of the Revenue and Taxation Code, as added by Chapter 660 of the Statutes of 1993, is repealed.

SEC. 212. Section 41136 of the Revenue and Taxation Code is amended to read:

41136. Funds in the State Emergency Telephone Number Account shall, when appropriated by the Legislature, be spent solely for the following purposes:

(a) To pay refunds authorized by this part.

(b) To pay the State Board of Equalization for the cost of the administration of this part.

(c) To pay the Department of General Services for its costs in administration of the "911" emergency telephone number system.

(d) To pay bills submitted to the Department of General Services by service suppliers or communications equipment companies for the installation and ongoing expenses for the following communications services supplied local agencies in connection with the "911" emergency phone number system:

(1) A basic system.

(2) A basic system with telephone central office identification.

(3) A system employing automatic call routing.

(4) Approved incremental costs.

(e) To pay claims of local agencies for approved incremental costs, not previously compensated for by another governmental agency.

(f) To pay claims of local agencies for incremental costs and amounts, not previously compensated for by another governmental agency, incurred prior to the effective date of this part, for the installation and ongoing expenses for the following communication services supplied in connection with the "911" emergency phone number system:

(1) A basic system.

(2) A basic system with telephone central office identification.

(3) A system employing automatic call routing.

(4) Approved incremental costs. Incremental costs shall not be allowed unless the costs are concurred in by the Communications Division.

SEC. 213. Section 41137 of the Revenue and Taxation Code is amended to read:

41137. The Department of General Services shall pay, from funds appropriated from the State Emergency Telephone Number Account by the Legislature, as provided in Section 41138, bills submitted by service suppliers or communications equipment companies for the installation and ongoing costs of the following communication services provided local agencies by service suppliers in connection with the "911" emergency telephone number system:

(a) A basic system.

(b) A basic system with telephone central office identification.

(c) A system employing automatic call routing.

(d) Approved incremental costs that have been concurred in by the Communications Division.

SEC. 214. Section 43152.11 of the Revenue and Taxation Code, as added by Chapter 411 of the Statutes of 1993, is repealed.

SEC. 215. Section 223 of the Streets and Highways Code is amended to read:

223. (a) The department may contract with other governmental agencies or private organizations or individuals for the construction and operation of traveler service information facilities and for the maintenance of all or any of these safety roadside rests where it deems it necessary or desirable.

(b) Notwithstanding subdivision (a), Section 19130 of the Government Code, or any other provision of law, the department may contract with public and private nonprofit organizations pursuant to Section 19404 of the Welfare and Institutions Code, for the operation of traveler service information facilities and for the maintenance of all or any of these safety roadside rests where it deems it necessary or desirable. Contracts entered into pursuant to this subdivision shall not cause displacement of civil service employees. For purposes of this section, "displacement" includes layoff, demotion, involuntary transfer to a new class, involuntary transfer to a new location requiring a change of residence, and time base reductions. "Displacement" does not include changes in shifts or days off, or reassignment to other positions within the same class and general location.

SEC. 216. Section 1095 of the Unemployment Insurance Code is amended to read:

1095. The director shall permit the use of any information in his or her possession to the extent necessary for any of the following purposes:

(a) To properly present a claim for benefits.

(b) To acquaint a worker or his or her authorized agent with his or her existing or prospective right to benefits.

(c) To furnish an employer or his or her authorized agent with information to enable him or her to fully discharge his or her obligations or safeguard his or her rights under this division or Division 3 (commencing with Section 9000). This subdivision, as it relates to Division 3 (commencing with Section 9000), applies only to subdivision (j) of this section.

(d) To enable an employer to receive a reduction in contribution rate.

(e) To enable the Director of Social Services or his or her representatives or the Director of Health Services or his or her representatives, subject to federal law, to verify or determine the eligibility or entitlement of an applicant for, or a recipient of, public social services provided pursuant to the Welfare and Institutions Code, and directly connected with, and limited to, the administration of public social services.

(f) To enable county administrators of general relief or assistance, or their representatives, to determine entitlement to locally provided general relief or assistance, where the determination is directly connected with, and limited to, the administration of general relief or assistance.

(g) To enable county district attorneys, or their representatives, to seek criminal, civil, or administrative remedies in connection with the unlawful application for, or receipt of, relief provided under Division 9 (commencing with Section 10000) of the Welfare and Institutions Code.

(h) To enable the director or his or her representative to carry out his or her responsibilities under this code.

(i) To enable county departments of collection or their representatives to determine entitlement to medical assistance services rendered pursuant to Part 5 (commencing with Section 17000) of Division 9 of the Welfare and Institutions Code, and, when appropriate, to enable collection for the county's expenditures for these medical assistance services.

(j) To furnish an employer, or his or her authorized agent, with information including, but not limited to, the applicant's or recipient's name, social security number, address, employable skills, and job placement in order to enable him or her to fully discharge his or her obligations or safeguard his or her rights under the elements of a joint union, management, and Employment Development Department agreement as are deemed necessary to assist displaced workers to obtain new employment under the provisions of Chapter 2.9 (commencing with Section 9970) of Part 1 of Division 3 and related provisions of Division 3 (commencing with Section 9000). The information shall be limited to any information gathered under these divisions by the department and authorized for release by the labor organization which shall act as an agent for the affected workers under terms of the agreement and shall participate in defining the information release provisions.

(k) To provide any law enforcement agency with the name, address, telephone number, birth date, social security number, physical description, and names and addresses of present and past employers, of any victim, suspect, missing person, potential witness, or person for whom a felony arrest warrant has been issued, when a request for this information is made by any investigator or peace officer as defined by Sections 830.1 and 830.2 of the Penal Code and designated by the head of the law enforcement agency and who requests this information in the course of and as a part of an investigation into the commission of a crime where there is a reasonable suspicion that the crime is a felony and that the information would lead to relevant evidence. The information provided pursuant to this subdivision shall be provided to the extent permitted by federal law and regulations, and to the extent the information is available and accessible within the constraints and configurations of existing department records. Any person who

receives any information under this subdivision shall make a written report of the information to the law enforcement agency that employs him or her, for filing under the normal procedures of that agency. Any officer or employee of the department who discloses information in violation of this subdivision is guilty of a misdemeanor. Any person who obtains information in violation of this subdivision is guilty of a misdemeanor.

(1) This subdivision shall not be construed to authorize the release of a general list identifying individuals applying for or receiving benefits to any law enforcement agency.

(2) The department shall maintain records pursuant to this subdivision only for periods required under regulations or statutes enacted for the administration of its programs.

(3) This subdivision shall not be construed as limiting the information provided to law enforcement agencies to that pertaining only to applicants for, or recipients of, benefits.

(4) The department shall notify all applicants for benefits that release of confidential information from their records will not be protected should there be a felony arrest warrant issued against the applicant or in the event of an investigation by a law enforcement agency into the commission of a felony.

(l) Nothing in this section shall be construed to authorize or permit the use of information obtained in the administration of this code by any private collection agency.

(m) To provide the State Teachers' Retirement System, pursuant to Section 22242 of the Education Code, with information relating to the earnings of any person who is receiving a disability allowance or disability retirement allowance from the State Teachers' Retirement System. The earnings information shall be released to the Teachers' Retirement Board only upon written request from the board specifying that the person is receiving a disability allowance or disability retirement allowance from the system. The request may be made by the chief executive officer of the system or by an employee of the system so authorized and identified by name and title by the chief executive officer in writing.

(n) To provide the Public Employees' Retirement System, pursuant to Section 20143 of the Government Code, with information relating to the earnings of any person who is receiving a disability retirement allowance from the Public Employees' Retirement System. The earnings information shall be released to the Board of Administration of the system only upon written request from the board specifying that the person is receiving a disability retirement allowance from the system. The request may be made by the executive officer of the system or by an employee of the system so authorized and identified by name and title by the executive officer in writing.

(o) To provide the University of California Retirement System with information in its possession relating to the earnings of any person who has applied for or is receiving disability income from the

system. The earnings information shall be disclosed only upon written request from the system specifying that the person has applied for or is receiving disability income from the system. The request may be made by the chief administrative officer of the system or by an employee so authorized and identified by name and title by the chief administrative officer in writing. The system shall notify applicants for and recipients of disability income that earnings information from the department's records will be released upon the system's request. The information obtained pursuant to this subdivision shall be used or disclosed by the system only to determine or to verify entitlement to, or continuing eligibility for, disability income. The system shall reimburse the department for all reasonable administrative expenses incurred pursuant to this subdivision.

(p) To enable the Division of Labor Standards Enforcement in the Department of Industrial Relations to seek criminal, civil, or administrative remedies in connection with the failure to pay, or the unlawful payment of, wages pursuant to Chapter 1 (commencing with Section 200) of Part 1 of Division 2 of, and Chapter 1 (commencing with Section 1720) of Part 7 of Division 2 of, the Labor Code. The Division of Labor Standards Enforcement shall reimburse the department for all reasonable administrative expenses incurred pursuant to this subdivision.

(q) To enable the federal Department of Health and Human Services, Office of Child Support Enforcement, Federal Parent Locator Service, to administer its child support enforcement programs under Title IV of the Social Security Act (42 U.S.C. Sec. 651 et seq.).

(r) To provide county probation departments with wage and claim information in its possession that will assist those departments in the location of victims of crime who, by state mandate or court order, are entitled to restitution that has been, or can be recovered, and to assist in the collection of money owed to the county or the state by any person who has been directed by state mandate or court order to pay restitution, fines, penalties, assessments, or fees as a result of a violation of law. Information provided about victims of crime shall be limited to data necessary to assist in locating them. The county shall reimburse the department for all reasonable administrative expenses incurred pursuant to this subdivision. Any officer or employee of the department who discloses information in violation of this subdivision is guilty of a misdemeanor. Any person who obtains information in violation of this subdivision is guilty of a misdemeanor.

(s) To provide the Student Aid Commission with information concerning any individuals who are delinquent or in default on guaranteed student loans or who owe repayment of funds received through other financial assistance programs administered by the commission. The information obtained pursuant to this subdivision shall be utilized by the commission exclusively to enable the

collection of defaulted loans and other funds owed, pursuant to the authority granted in Chapter 2 (commencing with Section 69500) of Part 42 of the Education Code and Chapter 1 (commencing with Section 30000) of Title 5 of the California Code of Regulations. The information released by the director for the purposes of this subdivision shall not include any employment, wage, or other information concerning any person who is receiving unemployment insurance benefits. The information shall be released to the commission only upon written request from the director of the commission or by an employee so authorized and identified by name and title by the director. The commission shall reimburse the department for all reasonable administrative expenses incurred pursuant to this subdivision.

(t) To provide an authorized governmental agency with any or all relevant information that relates to any specific workers' compensation insurance fraud investigation. The information shall be provided to the extent permitted by federal law and regulations. For the purposes of this subdivision, "authorized governmental agency" means the district attorney of any county, the office of the Attorney General, the Department of Industrial Relations, and the Department of Insurance. An authorized governmental agency may disclose this information to the State Bar, the Medical Board of California, or any other licensing board or department whose licensee is the subject of a workers' compensation insurance fraud investigation. This subdivision shall not prevent any authorized governmental agency from reporting to any board or department the suspected misconduct of any licensee of that body. The Department of Insurance or Department of Industrial Relations shall reimburse the department for all reasonable administrative expenses incurred relative to a request that it submits pursuant to this subdivision. Relevant information may include, but is not limited to, all of the following:

(1) Copies of unemployment and disability insurance application and claim forms and copies of any supporting medical records, documentation, and records pertaining thereto.

(2) Copies of returns filed by an employer pursuant to Section 1088 and copies of supporting documentation.

(3) Copies of benefit payment checks issued to claimants.

(4) Copies of any documentation that specifically identifies the claimant by social security number, residence address, or telephone number.

(u) To provide employment tax information to the tax officials of Mexico, if a reciprocal agreement exists. For purposes of this subdivision, "reciprocal agreement" means a formal agreement to exchange information between national taxing officials of Mexico and taxing authorities of the State Board of Equalization, the Franchise Tax Board, and the Employment Development Department. Furthermore, the reciprocal agreement shall be limited to the exchange of information which is essential for tax

administration purposes only. Taxing authorities of the State of California shall be granted tax information only on California residents. Taxing authorities of Mexico shall be granted tax information only on Mexican nationals.

SEC. 217. Section 1875 of the Unemployment Insurance Code is amended to read:

1875. (a) If an offer under Section 1870 to accept partial payment in satisfaction of the liability has been accepted, and it is subsequently determined that any person willfully did any of the following, the acceptance shall be rescinded and all compromised liabilities shall be reestablished without regard to any statute of limitations that is applicable to this division:

(1) Concealed from any officer or employee of the state any property belonging to the estate of the employer or other person liable with respect to the tax.

(2) Received, withheld, destroyed, mutilated, or falsified any book, document, or record.

(3) Made any false statement relating to the estate or financial conditions of the employer or other person liable with respect to the tax.

(4) Failed to pay any tax liability owed the department for any subsequent, active business in which the employer or individual who previously submitted the offer in compromise has a controlling interest or association.

(b) Upon any rescission pursuant to subdivision (a), the department, at its discretion, may file a Notice of State Tax Lien against the individuals or entity responsible for the previously compromised liability.

(c) For all rescissions under subdivision (a), the department shall notify the employer or individual who previously submitted the offer in compromise in writing of both of the following:

(1) The rescission of any offer and reasons therefor.

(2) The amount of reestablished liability that is due and payable.

SEC. 218. Section 9601.7 of the Unemployment Insurance Code is amended to read:

9601.7. (a) Each state or local government agency or community action agency, or any private organization contracting with a state or local government agency, that enters into an agreement with the department to provide employment services including, but not limited to, job training, retraining, or placement, shall post in a prominent location in the workplace, a notice stating that only citizens or those persons legally authorized to work in the United States will be permitted to use the agency's or organization's employment services that are funded by the federal or state government.

(b) The notice shall read:

NOTICE: Attention All Job Seekers

The Immigration and Reform Control Act of 1986 (IRCA) requires that all employers verify the identity and employment authorization of all individuals hired after November 6, 1986. An employer is required to examine documents provided by the job seeker establishing identity and authorization for employment in the United States. In addition, it is a violation of both state and federal law to discriminate against job seekers on the basis of ancestry, race, or national origin. This agency provides employment services funded by the federal or state government that are available only to individuals who are United States citizens or who are legally authorized to work in the United States.

SEC. 219. Section 5002.6 of the Vehicle Code is amended to read:

5002.6. (a) The Chancellor or a president of a campus of the California State University, or the president or a chancellor of a campus of the University of California, who is regularly issued a state-owned vehicle may apply to the department for regular series license plates for that vehicle, if a request for that issuance is also made by the Trustees of the California State University or the Regents of the University of California, as applicable. The request by the president or chancellor and by the trustees or regents shall be in the manner specified by the department.

(b) Regular series license plates issued pursuant to subdivision (a) shall be surrendered to the department by the trustees or regents, as applicable, upon the reassignment of a vehicle, for which those plates have been issued, to a person other than the person who requested those plates.

SEC. 220. Section 5024 of the Vehicle Code is amended to read:

5024. (a) Any person described in Section 5101 may also apply for a set of commemorative collegiate reflectorized license plates, and the department shall issue those special license plates in lieu of the regular license plates. The collegiate reflectorized plates shall be of a distinctive design, and shall be available in a special series of letters or numbers, or both, as determined by the department. The collegiate reflectorized plates shall also contain the name of the participating institution as well as the reflectorized logotype, motto, symbol, or other distinctive design, as approved by the department, representing the participating university or college selected by the applicant.

(b) Any public or private postsecondary educational institution in the state, which is accredited or has been accepted as a recognized candidate for accreditation by the Western Association of Schools and Colleges, may indicate to the department its decision to be included in the commemorative collegiate license plate program and submit its distinctive design for the logotype, motto, symbol, or other design. However, no public or private postsecondary educational institution may be included in the program until not less than 5,000 applications are received for license plates containing that

institution's logotype, motto, symbol, or other design. Each participating institution shall collect and hold applications for collegiate license plates until it has received at least 5,000 applications. Once the institution has received at least 5,000 applications, it shall submit the applications, along with the necessary fees, to the department. Upon receiving the first application, the institution shall have one calendar year to receive the remaining required applications. If, after that one calendar year, 5,000 applications have not been received, the institution shall refund to all applicants any fees or deposits which have been collected.

(c) In addition to the regular fees for an original registration, a renewal of registration, or a transfer of registration, the following commemorative collegiate license plate fees shall be paid:

(1) Fifty dollars (\$50) for the initial issuance of the plates. These plates shall be permanent and shall not be required to be replaced.

(2) Forty dollars (\$40) for each renewal of registration which includes the continued display of the plates.

(3) Fifteen dollars (\$15) for transfer of the plates to another vehicle.

(4) Thirty-five dollars (\$35) for replacement plates, if the plates become damaged or unserviceable.

(d) When payment of renewal fees is not required as specified in Section 4000, or when the person determines to retain the commemorative collegiate license plates upon sale, trade, or other release of the vehicle upon which the plates have been displayed, the person shall notify the department and the person may retain the plates.

(e) Of the revenue derived from the additional special fees provided in this section, less costs incurred by the department pursuant to this section, one-half shall be deposited in the California Collegiate License Plate Fund, which is hereby created, and one-half shall be deposited in the Resources License Plate Fund, which is hereby created.

(f) The money in the California Collegiate License Plate Fund is, notwithstanding Section 13340 of the Government Code, continuously appropriated to the Controller for allocation as follows:

(1) To the governing body of participating public institutions in the proportion that funds are collected on behalf of each, to be used for need-based scholarships, distributed according to federal student aid guidelines.

(2) With respect to funds collected on behalf of accredited nonprofit, private, and independent colleges and universities in the state, to the California Student Aid Commission for grants to students at those institutions, in the proportion that funds are collected on behalf of each institution, who demonstrate eligibility and need in accordance with the Cal Grant Program pursuant to Article 3 (commencing with Section 69530) of Chapter 2 of Part 42 of the Education Code, but who did not receive an award based on a listing prepared by the California Student Aid Commission.

(g) The scholarships and grants shall be awarded without regard to race, religion, creed, sex, or age.

(h) The money in the Resources License Plate Fund is available, upon appropriation, for the purposes of natural resources preservation, enhancement, and restoration.

(i) All revenues deposited in, and expenditures from, the California Collegiate License Plate Fund shall be audited by the Auditor General on December 1, 1993, and December 1, 1995.

SEC. 221. Section 11709.2 of the Vehicle Code is amended to read:

11709.2. Every dealer shall conspicuously display a notice, not less than eight inches high and 10 inches wide, in each sales office and sales cubicle of a dealer's established place of business where written terms of specific sale or lease transactions are discussed with prospective purchasers or lessees, and in each room of a dealer's established place of business where sale and lease contracts are regularly executed, which states the following:

“NO COOLING-OFF PERIOD

California law does not provide for a “cooling-off” or other cancellation period for vehicle lease or purchase contracts. Therefore, you cannot later cancel such a contract simply because you change your mind, decide the vehicle costs too much, or wish you had acquired a different vehicle. After you sign a motor vehicle purchase or lease contract, it may only be canceled with the agreement of the seller or lessor or for legal cause, such as fraud.”

SEC. 222. Section 366.21 of the Welfare and Institutions Code is amended to read:

366.21. (a) Every hearing conducted by the juvenile court reviewing the status of a dependent child shall be placed on the appearance calendar. The court shall advise all persons present at the hearing of the date of the future hearing, of their right to be present and represented by counsel.

(b) Except as provided in Section 366.23 and subdivision (a) of Section 366.3, notice of the hearing shall be mailed by the probation officer to the same persons as in the original proceeding, to the minor's parent or guardian, to the foster parents, community care facility, or foster family agency having physical custody of the minor in the case of a minor removed from the physical custody of his or her parent or guardian, and to the counsel of record if the counsel of record was not present at the time that the hearing was set by the court, by first-class mail addressed to the last known address of the person to be notified, or shall be personally served on those persons, not earlier than 30 days nor later than 15 days preceding the date to which the hearing was continued. Service of a copy of the notice personally or by certified mail return receipt requested, or any other form of actual notice is equivalent to service by first-class mail.

The notice shall contain a statement regarding the nature of the hearing to be held and any change in the custody or status of the minor being recommended by the supervising agency. The notice to the foster parent shall indicate that the foster parent may attend all hearings or may submit any information he or she deems relevant to the court in writing.

(c) At least 10 calendar days prior to the hearing the probation officer shall file a supplemental report with the court regarding the services provided or offered to the parent or guardian to enable them to assume custody, the progress made, and, where relevant, the prognosis for return of the minor to the physical custody of his or her parent or guardian, and make his or her recommendation for disposition. If the recommendation is not to return the minor to a parent or guardian, the report shall specify why the return of the minor would be detrimental to the minor. The probation officer shall provide the parent or guardian with a copy of the report, including his or her recommendation for disposition, at least 10 calendar days prior to the hearing. In the case of a minor removed from the physical custody of his or her parent or guardian, the probation officer shall provide a summary of his or her recommendation for disposition to the counsel for the minor, any court-appointed child advocate, foster parents, community care facility, or foster family agency having the physical custody of the minor at least 10 calendar days before the hearing.

(d) Prior to any hearing involving a minor in the physical custody of a community care facility or foster family agency that may result in the return of the minor to the physical custody of his or her parent or guardian, or in adoption or the creation of a legal guardianship, the facility or agency shall file with the court a report containing its recommendation for disposition. Prior to such a hearing involving a minor in the physical custody of a foster parent, the foster parent may file with the court a report containing its recommendation for disposition. The court shall consider the report and recommendation filed pursuant to this subdivision prior to determining any disposition.

(e) At the review hearing held six months after the initial dispositional hearing, the court shall order the return of the minor to the physical custody of his or her parents or guardians unless, by a preponderance of the evidence, it finds that the return of the child would create a substantial risk of detriment to the physical or emotional well-being of the minor. The probation department shall have the burden of establishing that detriment. The failure of the parent or guardian to participate regularly in any court-ordered treatment programs shall constitute prima facie evidence that return would be detrimental. In making its determination, the court shall review the probation officer's report, shall review and consider the report and recommendations of any child advocate appointed pursuant to Section 356.5, and shall consider the efforts or progress, or both, demonstrated by the parent or guardian and the extent to

which he or she cooperated and availed himself or herself of services provided; shall make appropriate findings pursuant to subdivision (a) of Section 366; and where relevant, shall order any additional services reasonably believed to facilitate the return of the minor to the custody of his or her parent or guardian. The court shall also inform the parent or guardian that if the minor cannot be returned home by the next review hearing, a proceeding pursuant to Section 366.26 may be instituted. This section does not apply in a case where, pursuant to Section 361.5, the court has ordered that reunification services shall not be provided.

If the minor was removed initially under subdivision (g) of Section 300 and the court finds by clear and convincing evidence that the whereabouts of the parent are still unknown, or the parent has failed to contact and visit the child, the court may schedule a hearing pursuant to Section 366.26 within 120 days. If the court finds by clear and convincing evidence that the parent has been convicted of a felony indicating parental unfitness, the court may schedule a hearing pursuant to Section 366.26 within 120 days.

If the minor had been placed under court supervision with a previously noncustodial parent pursuant to Section 361.2, the court shall determine whether supervision is still necessary. The court may terminate supervision and transfer permanent custody to that parent, as provided for by paragraph (1) of subdivision (a) of Section 361.2.

In all other cases, the court shall direct that any reunification services previously ordered shall continue to be offered to the parent or guardian, provided that the court may modify the terms and conditions of those services. If the child is not returned to his or her parent or guardian, the court shall determine whether reasonable services have been provided or offered to the parent or guardian which were designed to aid the parent or guardian in overcoming the problems which led to the initial removal and the continued custody of the minor. The court shall order that those services be initiated or continued.

(f) At the review hearing held 12 months after the initial dispositional hearing, the court shall order the return of the minor to the physical custody of his or her parent or guardian unless, by a preponderance of the evidence, it finds that return of the child would create a substantial risk of detriment to the physical or emotional well-being of the minor. The probation department shall have the burden of establishing that detriment. The court shall also determine whether reasonable services have been provided or offered to the parent or guardian which were designed to aid the parent or guardian to overcome the problems which led to the initial removal and continued custody of the minor. The failure of the parent or guardian to participate regularly in any court-ordered treatment programs shall constitute prima facie evidence that the return would be detrimental. In making its determination, the court shall review the probation officer's report and shall consider the

efforts or progress, or both, demonstrated by the parent or guardian and the extent to which he or she cooperated and availed himself or herself of services provided. If the minor is not returned to a parent or guardian, the court shall specify the factual basis for its conclusion that the return would be detrimental. The court also shall make a finding pursuant to subdivision (a) of Section 366.

(g) If a minor is not returned to the custody of a parent or guardian at the hearing held pursuant to subdivision (f), the court shall do one of the following:

(1) Continue the case for up to six months for another review hearing, provided that the hearing shall occur within 18 months of the date the child was originally taken from the physical custody of his or her parent or guardian. The court shall continue the case only if it finds that there is a substantial probability that the minor will be returned to the physical custody of his or her parent or guardian within six months or that reasonable services have not been provided to the parent or guardian. The court shall inform the parent or guardian that if the minor cannot be returned home by the next review hearing, a permanent plan shall be developed at that hearing. The court shall not order that a hearing pursuant to Section 366.26 be held unless there is clear and convincing evidence that reasonable services have been provided or offered to the parent or guardian.

(2) Order that the minor remain in long-term foster care, if the court finds by clear and convincing evidence, based upon the evidence already presented to it, that the minor is not adoptable and has no one willing to accept legal guardianship.

(3) Order that a hearing be held within 120 days, pursuant to Section 366.26, if there is clear and convincing evidence that reasonable services have been provided or offered to the parents.

(h) In any case in which the court orders that a hearing pursuant to Section 366.26 shall be held, it shall also order the termination of reunification services to the parent. The court shall continue to permit the parent to visit the minor pending the hearing unless it finds that visitation would be detrimental to the minor.

(i) Whenever a court orders that a hearing pursuant to Section 366.26 shall be held, it shall direct the agency supervising the child and the licensed county adoption agency, or the State Department of Social Services when it is acting as an adoption agency in counties which are not served by a county adoption agency, to prepare an assessment which shall include:

(1) Current search efforts for an absent parent or parents.

(2) A review of the amount of and nature of any contact between the minor and his or her parents since the time of placement.

(3) An evaluation of the minor's medical, developmental, scholastic, mental, and emotional status.

(4) A preliminary assessment of the eligibility and commitment of any identified prospective adoptive parent or guardian, particularly the caretaker, to include a social history including screening for criminal records and prior referrals for child abuse or neglect, the

capability to meet the minor's needs, and the understanding of the legal and financial rights and responsibilities of adoption and guardianship.

(5) The relationship of the minor to any identified prospective adoptive parent or guardian, the duration and character of the relationship, the motivation for seeking adoption or guardianship, and a statement from the minor concerning placement and the adoption or guardianship, unless the minor's age or physical, emotional, or other condition precludes his or her meaningful response, and if so, a description of the condition.

An analysis of the likelihood that the minor will be adopted if parental rights are terminated.

(j) This section shall apply to minors made dependents of the court pursuant to subdivision (c) of Section 360 on or after January 1, 1989.

SEC. 223. Section 729 of the Welfare and Institutions Code is amended to read:

729. If a minor is found to be a person described in Section 602 by reason of the commission of a battery on school property as described in Penal Code Section 243.5, and the court does not remove the minor from the physical custody of the parent or guardian, the court as a condition of probation, except in any case in which the court makes a finding and states on the record its reasons that the condition would be inappropriate, shall require the minor to make restitution to the victim of the battery. If restitution is found to be inappropriate, the court, except in any case in which the court makes a finding and states on the record its reasons that the condition would be inappropriate, shall require the minor to perform specified community service. Nothing in this section shall be construed to limit the authority of a juvenile court to provide conditions of probation.

SEC. 224. Section 731.6 of the Welfare and Institutions Code is amended to read:

731.6. (a) The Legislature hereby finds and declares the following:

There is a desire to develop and implement innovative and cost-effective options that will alleviate crowding within the institutions operated by the Department of the Youth Authority, that will increase the department's substance abuse treatment capability, that will improve ward performance after release to parole, and that will prevent the further incursion of youthful offenders into the criminal justice system.

(b) The Legislature, therefore, intends to establish a pilot program within the Department of the Youth Authority to test and evaluate innovative and cost-effective sentencing options; to instill discipline, responsibility, and self-esteem among the youth admitted to the program; and to facilitate the successful return of these youth to law-abiding and productive participation in their home communities.

(c) There shall be within the Department of the Youth Authority

an intensive correctional program for minors adjudged wards of the juvenile court on the grounds that they are persons described by Section 602. The program shall be known as the Leadership, Esteem, Ability, and Discipline (LEAD) program and shall be intended to promote leadership, esteem, ability, and discipline among wards who participate. The program shall be implemented as a treatment continuum consisting of a short-term and highly structured institutional component followed by an intensive parole experience component. The institutional component shall not exceed four months from the time the ward enters into the LEAD program until the time the ward is released to parole, except as provided in subdivision (g). The institutional component shall be based on a military training model and shall include such discipline, educational, and vocational training, substance abuse prevention, esteem-building, and other activities as may be deemed appropriate and effective by the department. The last month of the institutional component shall include a special emphasis on preparole and transitional needs of wards, emphasizing public service, personal accountability, employability, and good citizenship. The intensive parole experience shall consist of six months of enriched parole services designed to facilitate the successful return of the ward to society. As used in this section, "enriched parole services" means that parole agents assigned to the LEAD program shall have caseloads of not more than 15 parolees per agent. The intensive parole component of the LEAD program shall consist of services and strategies deemed appropriate and effective by the department, including, but not limited to, substance abuse prevention support services, individual and group counseling, family support services, drug testing, electronic monitoring, job training and job placement services, and the development of linkages to community-based agencies and services that can assist the ward in making a successful readjustment. The intensive parole phase of the LEAD program shall include a relapse-management strategy designed to focus intensive services upon wards who are at risk of failing on parole, and this relapse-management may include specialized, short-term residential, and noninstitutional placement for parolees who need a temporary and structured environment in order to succeed on parole. Upon the successful completion of six months of intensive parole, LEAD participants may be transferred to the regular parole caseload of the Department of the Youth Authority for six months and shall be subject to general provisions of parole in order to receive continued supervision and parole services at less intensive levels.

(d) The LEAD program shall be implemented as a 60-bed pilot program at a northern California facility to be designated by the Department of the Youth Authority, and shall begin enrolling wards on or before September 30, 1992. The second phase shall consist of a 60-bed program at a southern California facility to be designated by the Department of the Youth Authority and shall begin enrolling wards during the 1993 calendar year, unless one of the following

events occurs:

(1) The LEAD program is ended by the Department of the Youth Authority on the basis of an operational failure, such as a chronic insufficiency of wards meeting the eligibility requirements of subdivision (a) of Section 731.7.

(2) There is an insufficient number of wards meeting the eligibility requirements of subdivision (a) of Section 731.7 to sustain at least a 40-bed program in southern California.

(3) Insufficient funds are available to implement the southern California expansion of the LEAD program.

If the Department of the Youth Authority determines, based on one or more of these events, that it cannot add an additional LEAD program to serve southern California wards, it shall make a written report to the Legislature of its decision not to proceed with the second phase of the LEAD program and of its reasons for making the decision not to proceed.

The Department of the Youth Authority may, at any time and in its discretion, increase LEAD program capacity at either the northern or southern California facility if resources are available to support the increase.

(e) Wards who participate in the LEAD program shall, to the extent practical, be separated while institutionalized from wards who are not enrolled in the LEAD program.

(f) The Department of the Youth Authority shall, in its design, staffing, and implementation of the institutional component of the LEAD program, take steps to ensure that the disciplinary and esteem-building activities do not involve the corporal punishment of wards or the application of training methods that are personally degrading, humiliating, or inhumane.

(g) In exceptional cases, a ward may be retained in the institutional component of the LEAD program for up to 30 additional days if additional time is needed, in the opinion of the department, to allow the ward to complete the program successfully after illness or some other unforeseen circumstance that may delay the ward's normal progress and timely release to parole. If a ward's release to parole is delayed beyond the normal four-month institutional stay, the department shall maintain documentation in the ward's file regarding the need for and the length of any additional time spent in the institutional component of the program.

(h) This section shall be repealed on June 30, 1997, unless that date is extended or deleted by a later enacted statute.

SEC. 225. Section 11325.2 of the Welfare and Institutions Code is amended to read:

11325.2. (a) At the time an individual registers pursuant to this article, including any individual who volunteers to participate, or, with respect to any individual described in Section 11325, at the time the situation that permits nonparticipation no longer exists, every individual shall enter into a written basic contract with the county welfare department.

(b) The county shall offer the participant three days in which to consider and evaluate the proposed terms of the contract, or any subsequent amendments to the contract.

(c) The contract shall contain all of the following:

(1) The contract shall be written in clear and understandable language, and have a simple and easy-to-read format. The contract shall contain at least all of the following general information:

(A) A general description of the program provided for in this article.

(B) A detailed description of the services, including supportive services such as child care and transportation, available to program participants and the hours the participant is required to attend training, education, or work experience.

(C) A description of the rights, duties, and responsibilities of program participants, including a list of the exemptions from required participation under this article and the consequences of a refusal to participate in program components.

(2) In the case of any participant who has not been employed within two years from the date of registration, except for a participant described in paragraph (4), the contract shall provide that the participant shall participate in job club for a period of three weeks, as defined in Section 11322.6. Participation pursuant to this paragraph may be delayed in accordance with paragraph (5) or (6).

(3) In the case of any participant who has been employed within two years of the date of registration, except for a participant described in paragraph (4), the participant shall have the option to participate in a three-week period of job club, as defined in Section 11322.6, or in a three-week period of supervised job search, as defined in that section. At the discretion of the employment and training counselor and with the approval of the first or second line supervisor, the job search period may be shortened when it is determined that all reasonable job search efforts have been exhausted. The participant shall choose one of the options upon signing the contract. Participation pursuant to this paragraph may be delayed in accordance with paragraph (5) or (6).

(4) Notwithstanding paragraph (2) and (3), in the case of any participant who has been a recipient of aid under this chapter more than twice within three years from the date of registration, the contract shall provide for immediate referral to assessment pursuant to Section 11325.4. Participation pursuant to this paragraph may be delayed in accordance with paragraph (5) or (6).

(5) (A) Any individual who is enrolled or attending in good standing in a self-initiated vocational training program or an educational program that will likely lead to unsubsidized employment in an occupation in demand may continue to participate in that program until completion of the program for a period not to exceed two years from the date the basic contract reflecting the self-initiated program is signed. The individual's program shall be scheduled to be completed within the two-year

period. The two-year period may be extended, one time only, for a period of not more than six months, on an individual basis, for persons who are unable to complete a self-initiated program due to any of the following circumstances and who have a reasonable expectation to complete that program within the six-month period:

(i) The individual's basic skills requirements required more class time than was estimated at the commencement of that individual's self-initiated program.

(ii) The school or college did not offer required classes in a sequence that permitted completion of the self-initiated program within the prescribed time period.

(iii) The individual had a personal or family crisis that resulted in the inability of that individual to complete his or her self-initiated program without an additional period of attendance, not to exceed six months.

(B) In order to continue in a self-initiated training or education program, a GAIN applicant or recipient shall need the education or training in order to become employable in unsubsidized employment. Any individual who meets either of the following criteria shall be deemed to be employable:

(i) Possesses a baccalaureate degree.

(ii) Has an education or job skills necessary to obtain unsubsidized employment in an occupation that is in demand that will provide the individual with an income equal to two times the federal poverty line for the appropriate family size. A county may waive this requirement if an individual is able to demonstrate that, due to compelling personal circumstances, employment in the previous occupation is not realistic, including, but not limited to, a work-related disability, inability to obtain required union membership, or hours of employment that cause a severe hardship on the recipient's family.

(C) (i) Supportive services reimbursement shall be limited to child care and transportation for any participant in a self-initiated training or education program approved under this subdivision. This reimbursement shall be provided if no other source of funding for those costs is available.

(ii) Any offset to supportive services payments shall be made in accordance with subdivision (d) of Section 11323.4.

(D) (i) In order to continue in a self-initiated training or education program, a GAIN participant shall be attending at least full time and shall make satisfactory progress, as periodically measured according to the standards of the program in which the individual is enrolled. If the individual is attending less than full time upon entry into GAIN but she or he agrees to full-time attendance as soon as possible, the individual shall be considered to be attending on a full-time basis.

(ii) A GAIN participant may participate on less than a full-time basis, but not less than on a half-time basis, if full-time participation is not feasible due to good cause, as defined in Section 11328.

(E) Participation in the self-initiated vocational or educational

training program shall be reflected in the basic contract. The basic contract shall provide that whenever an individual ceases to participate in, refuses to attend regularly, or does not maintain satisfactory progress in the self-initiated program, the individual shall participate in this program in accordance with paragraph (2), (3), or (4), whichever is applicable.

(F) Any person whose previously approved self-initiated education or training program is interrupted for reasons preventing participation may resume participation in the same program if the participant maintained good standing in the program while participating. The county shall adjust the completion date of the program accounting for the time of absence to allow the participant a cumulative total of two years participation for completion of the program. In circumstances where the break in participation was for a period of more than one year, the participant may resume the program if the county determines the previously approved self-initiated education or training program meets all other criteria of this section at the time it is resumed.

(6) For those participants who lack basic literacy or mathematics skills, a high school diploma or its equivalent, or English language skills, the basic contract shall provide for either remedial education, instruction in order to obtain a general educational development certificate, or instruction in English as a second language. These participants shall be referred to appropriate service providers, including the educational programs operated by school districts or county offices of education that have contracted with the Superintendent of Public Instruction to provide services to participants pursuant to Section 33117.5 of the Education Code. The basic contract shall provide that when an individual to whom this paragraph applies, fails, refuses, or ceases to comply with program requirements, without good cause, as specified in Section 11328, and conciliation efforts as specified in Section 11327.4 have failed to resolve the dispute, the individual shall be subject to the sanction provisions of Section 11327.5.

(7) An individual to whom paragraph (6) applies who is either determined at appraisal or by the education provider as unable to benefit from basic educational services due to a learning or medical problem, or is participating in the instruction and is determined not to be making satisfactory progress, shall be referred to a progress evaluation for a determination of whether the individual has the ability to successfully complete the assigned component. As part of the evaluation, counties may require an individual to take tests to obtain additional information regarding the student's learning abilities. This evaluation may result in referral, as appropriate, to any of the following components: (A) rereferral to the person's previous activity; (B) existing special programs that meet specific needs of the individual; (C) job club, if the county determines the individual has the skills needed to find a job in the local labor market; (D) assessment followed by the appropriate postassessment activity; or

(E) rehabilitation assessment and subsequent training. The participant shall be involved in the decisions made during the progress evaluation and shall have appeal rights consistent with those accorded to individuals during an assessment made pursuant to subdivision (b) of Section 11325.4.

It is the intent of the Legislature that the progress evaluations provide a method for determining the appropriate services needed by an individual for long-term success in the job market. An individual who is determined to need long periods of classroom instruction in order to achieve basic skills should not be referred to a progress evaluation if he or she is making steady, satisfactory progress in attaining the basic skill goal.

(8) (A) In the case of an individual who is an applicant for aid under this chapter and who is required to register pursuant to this article, mandated activities shall be limited to those necessary to enter into a written basic contract and to participation in job search.

(B) A participant described in subparagraph (A) who is assessed as needing additional education and who chooses education in preference to job search as his or her first program component shall not be required to participate in job search until the county has approved the registrant for aid pursuant to this chapter.

(9) Notwithstanding paragraphs (2) to (6), inclusive, the department shall adopt regulations or policies, as required by federal law, that specify the participation requirements with which one parent in a family eligible for aid under this chapter due to the unemployment of the principal wage earner is required to comply.

(d) This section shall not apply to individuals subject to Article 3.5 (commencing with Section 11331) during the time that article is operative.

SEC. 226. Section 11400 of the Welfare and Institutions Code is amended to read:

11400. For the purposes of this article, the following definitions shall apply:

(a) "Aid to Families with Dependent Children-Foster Care (AFDC-FC)" means the aid provided on behalf of needy children in foster care under the terms of this division.

(b) "Case plan" means a written document which at a minimum specifies the type of home in which the child shall be placed, the appropriateness of the home for meeting the child's needs, the agency's plan for ensuring that the child, family, and foster parents receive services, and the appropriateness of the services provided to the child, in order to meet the child's needs while in foster care, and to reunify the child with his or her family, or, when reunification is not possible, to facilitate an alternate permanent plan.

(c) "Certified family home" means a family residence certified by a licensed foster family agency and issued a certificate of approval by that agency as meeting licensing standards, and used only by that foster family agency for placements.

(d) "Family home" means the family residency of a licensee in

which 24-hour care and supervision are provided for children.

(e) "Small family home" means any residential facility, in the licensee's family residence, which provides 24-hour care for six or fewer foster children who have mental disorders or developmental or physical disabilities and who require special care and supervision as a result of their disabilities.

(f) "Foster care" means the 24-hour out-of-home care provided to children whose own families are unable or unwilling to care for them, and who are in need of temporary or long-term substitute parenting.

(g) "Foster family agency" means any individual or organization engaged in the recruiting, certifying, and training of, and providing professional support to, foster parents, or in finding homes or other places for placement of children for temporary or permanent care who require that level of care as an alternative to a group home. Private foster family agencies shall be organized and operated on a nonprofit basis.

(h) "Group home" means a nondetention privately operated residential home, organized and operated on a nonprofit basis only, of any capacity, that provides services in a group setting to children in need of care and supervision, as required by paragraph (1) of subdivision (a) of Section 1502 of the Health and Safety Code.

(i) "Periodic review" means review of a child's status by the juvenile court or by an administrative review panel, which shall include a determination of the continuing need for placement in foster care, evaluation of the goals for the placement and the progress toward meeting these goals, and development of a target date for the child's return home or establishment of alternative permanent placement.

(j) "Permanency planning hearing" means a hearing conducted by the juvenile court in which the child's future status, including whether the child shall be returned home or another permanent plan shall be developed, is determined.

(k) "Placement and care" refers to the responsibility for the welfare of a child vested in an agency or organization by virtue of the agency or organization having (1) been delegated care, custody, and control of a child by the juvenile court, (2) taken responsibility, pursuant to a relinquishment or termination of parental rights on a child, (3) taken the responsibility of supervising a child detained by the juvenile court pursuant to Section 319 or 636, or (4) signed a voluntary placement agreement for the child's placement; or to the responsibility designated to an individual by virtue of his or her being appointed the child's legal guardian.

(l) "Preplacement preventive services" means services which are designed to help children remain with their families by preventing or eliminating the need for removal.

(m) "Relative" means a person who can be a "caretaker relative" of a dependent child under Section 406 of the Social Security Act.

(n) "Voluntary placement" means an out-of-home placement of

a minor by (1) the county welfare department after the parents or guardians have requested the assistance of the county welfare department and have signed a voluntary placement agreement; or (2) the county welfare department licensed public or private adoption agency, or the department acting as an adoption agency, after the parents have requested the assistance of either the county welfare department, the licensed public or private adoption agency, or the department acting as an adoption agency for the purpose of adoption planning, and have signed a voluntary placement agreement.

(o) "Voluntary placement agreement" means a written agreement between either the county welfare department, a licensed public or private adoption agency, or the department acting as an adoption agency, and the parents or guardians of a minor which specifies, at a minimum, the following:

(1) The legal status of the child.

(2) The rights and obligations of the parents or guardians, the child, and the agency in which the child is placed.

(p) "Original placement date" means the most recent date on which the court detained a child and ordered an agency to be responsible for supervising the child or the date on which an agency assumed responsibility for a child due to termination of parental rights, relinquishment, or voluntary placement.

(q) "Transitional housing placement facility" means a community care facility licensed by the State Department of Social Services pursuant to Section 1559.110 of the Health and Safety Code to provide transitional housing opportunities to persons at least 17 years old, and not more than 18 years old unless they satisfy the requirements of Section 11403, who are in out-of-home placement under the supervision of the county department of social services or the county probation department, and who are participating in an independent living program.

SEC. 227. Section 11462.05 of the Welfare and Institutions Code is amended to read:

11462.05. By October 1, 1995, the department shall review and recommend to the appropriate policy and fiscal committees of the Legislature, a new or revised ratesetting system for facilities receiving reimbursement under Sections 11462 and 11462.01. The department shall conduct this review and develop recommendations with the advice and assistance of county placement agencies, group home provider associations, and other individuals and organizations as designated by the director. The recommendations shall be based on the department's review and evaluation of the current program classification system, group home actual cost data, and information from the group home program statements and level of care assessments specified in Section 11467.

SEC. 228. Section 11466.2 of the Welfare and Institutions Code is amended to read:

11466.2. (a) The department shall perform or have performed

group home program and fiscal audits as needed. Group home programs shall maintain all child-specific, programmatic, personnel, fiscal, and other information affecting group home ratesetting and AFDC-FC payments for a period not less than five years.

(b) (1) The department shall develop regulations to correct a group home program's RCL, and to adjust the rate and to recover any overpayments resulting from an overstatement of the projected level of care and services.

(2) Beginning in fiscal year 1990-91, the department shall modify the amount of the overpayment pursuant to paragraph (1) in cases where the level of care and services provided per child in placement equals or exceeds the level associated with the program's RCL. In making this modification, the department shall determine whether services other than child care supervision were provided to children in placement in an amount that is at least proportionate on a per child basis to the amount projected in the group home's rate application. In cases where these services are provided in less than a proportionate amount, staffing for child care supervision in excess of its proportionate share shall not be substituted for non-child care supervision staff hours.

(c) (1) In any audit conducted by the department, the department, or other public or private audit agency with which the department contracts, shall coordinate with the department's licensing and ratesetting entities so that a consistent set of standards, rules, and auditing protocols are maintained. The department, or other public or private audit agency with which the department contracts, shall make available to all group home providers, in writing, any standards, rules, and auditing protocols to be used in those audits.

(2) The department shall provide exit interviews with providers whenever deficiencies found are explained and the opportunity exists for providers to respond. The department shall develop regulations specifying the procedure for the appeal of audit findings.

SEC. 229. Section 12301.6 of the Welfare and Institutions Code is amended to read:

12301.6. (a) Notwithstanding Sections 12302 and 12302.1, a county board of supervisors may, at its option, elect to do either of the following:

(1) Contract with a nonprofit consortium to provide for the delivery of in-home supportive services.

(2) Establish, by ordinance, a public authority to provide for the delivery of in-home supportive services.

(b) (1) To the extent that a county elects to establish a public authority pursuant to paragraph (2) of subdivision (a), the enabling ordinance shall specify the membership of the governing body of the public authority, the qualifications for individual members, the manner of appointment, selection, or removal of members, how long they shall serve, and other matters as the board of supervisors deems necessary for the operation of the public authority.

(2) A public authority established pursuant to paragraph (2) of subdivision (a) shall be both of the following:

(A) An entity separate from the county, and shall be required to file the statement required by Section 53051 of the Government Code.

(B) A corporate public body, exercising public and essential governmental functions and that has all powers necessary or convenient to carry out the delivery of in-home supportive services, including the power to contract for services pursuant to Sections 12302 and 12302.1. Employees of the public authority shall not be employees of the county for any purpose.

(3) (A) As an alternative, the enabling ordinance may designate the board of supervisors as the governing body of the public authority.

(B) Any enabling ordinance that designates the board of supervisors as the governing body of the public authority shall also specify that no fewer than 50 percent of the membership of the advisory committee shall be individuals who are current or past users of personal assistance services paid for through public or private funds or recipients of services under this article.

(C) If the enabling ordinance designates the board of supervisors as the governing body of the public authority, it shall also require the appointment of an advisory committee of not more than 11 individuals who shall be designated in accordance with subparagraph (B).

(D) Prior to making designations of committee members pursuant to subparagraph (C), or governing body members in accordance with paragraph (4), the board of supervisors shall solicit recommendations of qualified members of either the governing body of the public authority or of any advisory committee through a fair and open process that includes the provision of reasonable, written notice to, and a reasonable response time by, members of the general public and interested persons and organizations.

(4) If the enabling ordinance does not designate the board of supervisors as the governing body of the public authority, the enabling ordinance shall require the membership of the governing body to meet the requirements of subparagraph (B) of paragraph (3).

(c) (1) Any public authority created pursuant to this section shall be deemed to be the employer of in-home supportive services personnel referred to recipients under paragraph (3) of subdivision (d) within the meaning of Chapter 10 (commencing with Section 3500) of Division 4 of Title 1 of the Government Code. Recipients shall retain the right to select, terminate, and direct the work of any in-home supportive services personnel providing services to them.

(2) (A) Any nonprofit consortium contracting with a county pursuant to this section shall be deemed to be the employer of in-home supportive services personnel referred to recipients pursuant to paragraph (3) of subdivision (d) for the purposes of

collective bargaining over wages, hours, and other terms and conditions of employment.

(B) Recipients shall retain the right to select, terminate, and direct the work of any in-home supportive services personnel providing services for them.

(d) Any nonprofit consortium contracting with a county pursuant to this section or any public authority established pursuant to this section shall provide for all of the following functions under this article, but shall not be limited to those functions:

(1) The provision of assistance to recipients in finding in-home supportive services personnel through the establishment of a registry.

(2) Investigation of the qualifications and background of potential personnel.

(3) Establishment of a referral system under which in-home supportive services personnel shall be referred to recipients.

(4) Providing for training and monitoring of providers and recipients.

(5) Performing any other functions related to the delivery of in-home supportive services.

(6) Ensuring that the requirements of the personal care option pursuant to Subchapter 19 (commencing with Section 1396) of Chapter 7 of Title 42 of the United States Code are met.

(e) (1) Any nonprofit consortium contracting with a county pursuant to this section or any public authority created pursuant to this section shall be deemed not to be the employer of in-home supportive services personnel referred to recipients under this section for purposes of liability due to the negligence or intentional torts of the in-home supportive services personnel.

(2) In no case shall a nonprofit consortium contracting with a county pursuant to this section or any public authority created pursuant to this section be held liable for action or omission of any in-home supportive services personnel whom the nonprofit consortium or public authority did not list on its registry or otherwise refer to a recipient.

(3) Counties and the state shall be immune from any liability resulting from their implementation of this section in the administration of the In-Home Supportive Services program. Any obligation of the public authority or consortium pursuant to this section, whether statutory, contractual, or otherwise, shall be the obligation solely of the public authority or nonprofit consortium, and shall not be the obligation of the county or state.

(f) Any nonprofit consortium contracting with a county pursuant to this section shall ensure that it has a governing body that complies with the requirements of subparagraph (B) of paragraph (3) of subdivision (b) or an advisory committee that complies with subparagraphs (B) and (C) of paragraph (3) of subdivision (b).

(g) Recipients of services under this section may elect in-home supportive services personnel who are not referred to them by the

public authority or nonprofit consortium. Those personnel shall be referred to the public authority or nonprofit consortium for the purposes of wages, benefits, and other terms and conditions of employment.

(h) Nothing in this section shall be construed to alter, require the alteration of, or interfere with the state payroll system and other provisions of Section 12302.2 for individual providers of in-home supportive services, or to affect the state's responsibility with respect to unemployment insurance, or workers' compensation for providers of in-home supportive services.

(i) To the extent permitted by federal law, personal care option funds, obtained pursuant to Subchapter 19 (commencing with Section 1396) of Chapter 7 of Title 42 of the United States Code, along with matching funds using the state and county sharing ratio established in subdivision (c) of Section 12306, or any other funds that are obtained pursuant to Subchapter 19 (commencing with Section 1396) of Chapter 7 of Title 42 of the United States Code, may be used to establish and operate an entity authorized by this section.

(j) Notwithstanding any other provision of law, a county, in exercising its option to establish a public authority, shall not be subject to competitive bidding requirements. However, contracts entered into by either the county, a public authority, or a nonprofit consortium pursuant to this section shall be subject to competitive bidding as otherwise required by law.

(k) (1) The department may adopt regulations implementing this section as emergency regulations in accordance with Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code. For the purposes of the Administrative Procedures Act, the adoption of the regulations shall be deemed an emergency and necessary for the immediate preservation of the public peace, health and safety, or general welfare. Notwithstanding Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code, these emergency regulations shall not be subject to the review and approval of the Office of Administrative Law.

(2) Notwithstanding subdivision (h) of Section 11364.1 and Section 11349.6 of the Government Code, the department shall transmit these regulations directly to the Secretary of State for filing. The regulations shall become effective immediately upon filing by the Secretary of State.

(3) Except as otherwise provided for by Section 10554, the Office of Administrative Law shall provide for the printing and publication of these regulations in the California Code of Regulations. Notwithstanding Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code, these regulations shall not be repealed by the Office of Administrative Law and shall remain in effect until revised or repealed by the department.

(l) (1) In the event that a county elects to form a nonprofit

consortium or public authority pursuant to subdivision (a) before the State Department of Health Services has obtained all necessary federal approvals pursuant to paragraph (3) of subdivision (j) of Section 14132.95, all of the following shall apply:

(A) Subdivision (c) shall apply only to those matters that do not require federal approval.

(B) The second sentence of subdivision (g) shall not be operative.

(C) The nonprofit consortium or public authority shall not provide services other than those specified in paragraphs (1), (2), (3), (4), and (5) of subdivision (d).

(2) Paragraph (1) shall become inoperative when the State Department of Health Services has obtained all necessary federal approvals pursuant to paragraph (3) of subdivision (j) of Section 14132.95.

SEC. 230. Section 14124.92 of the Welfare and Institutions Code, as added by Chapter 718 of the Statutes of 1992, is amended and renumbered to read:

14124.93. (a) The State Department of Social Services shall provide payments to the Child Support Enforcement Program (Title IV-D) in the district attorney's office of fifty dollars (\$50) per case for obtaining third-party health coverage or insurance of beneficiaries.

(b) A county shall be eligible for a payment if the county obtains third-party health coverage or insurance for applicants or recipients of Title IV-D services not previously covered, or for whom coverage has lapsed, and the county provides all required information on a form approved by both the State Department of Social Services and the State Department of Health Services.

SEC. 231. Section 16516 of the Welfare and Institutions Code is amended to read:

16516. (a) No social worker or probation officer acting as an officer of the court for purposes of this chapter shall, directly or indirectly, lobby for, act as a consultant to, enter into a business transaction with, acquire ownership of, or obtain a pecuniary interest in, any business, whether organized for profit or as a nonprofit entity, which has received any funds or income from court-ordered child welfare services.

(b) (1) Any public law enforcement agency or any private entity shall have standing to bring an action seeking a civil remedy pursuant to this section in any court of competent jurisdiction.

(2) Any person who violates this section shall be subject to any or all of the following remedies, as ordered by the court, in its discretion:

(A) Restitution of funds received in violation of this section.

(B) Statutory damages of not less than one thousand dollars (\$1,000), not to exceed treble the amount of the funds received in violation of this section.

(C) Actual damages resulting from a violation of this section.

(D) Termination of the grant or contract.

(E) Reasonable attorney's fees.

(F) Any other relief that the court deems proper.

(c) For purposes of this section, "court-ordered child welfare services" include those services ordered by the court pursuant to Sections 11450 and 16501 for a dependent or ward of the court.

SEC. 232. Section 19150 of the Welfare and Institutions Code is amended to read:

19150. (a) The term "vocational rehabilitation services" means the following services and goods:

(1) An assessment for determining eligibility and vocational rehabilitation needs by qualified personnel, including if appropriate, an assessment by personnel skilled in rehabilitation technology or an assessment for supported employment as an employment outcome.

(2) Counseling, guidance, and work-related placement services for persons with disabilities, including job search assistance, placement assistance, job retention services, personal assistance services, followup services, and specific postemployment services necessary to assist those individuals in maintaining, regaining, or advancing in their employment, both competitive and supported.

(3) Training services for persons with disabilities, which shall include personal and vocational adjustment, books, and other training materials.

(4) Auxiliary aide services, such as reader services for individuals who are blind and interpreter services for individuals who are deaf.

(5) Job coaching services that may include any of the following:

(A) On-the-job skill training.

(B) Observation or supervision at the worksite.

(C) Consultation or training, or both, of coworkers and supervisors.

(D) Assistance in integrating into the work environment.

(E) Destination training.

(F) Assistance with public support agencies.

(G) Family and residential provider consultation.

(H) Any other on- or off-the-job support services needed to reinforce and stabilize job placement.

(6) Recruitment and training services for persons with disabilities to provide them with new employment opportunities in the fields of rehabilitation, health, welfare, public safety, and law enforcement, and other appropriate service employment.

(7) Physical and mental restoration services, including, but not limited to, the following:

(A) Corrective surgery or therapeutic treatment necessary to correct or substantially modify a physical or mental condition which is stable or slowly progressive and constitutes an impediment to employment, but is of such a nature that the correction or modification may reasonably be expected to eliminate or substantially reduce the impediment to employment within a reasonable length of time.

(B) Necessary hospitalization in connection with surgery or

treatment.

(C) Prosthetic and orthotic devices.

(D) Eyeglasses and visual services as prescribed by a physician skilled in the diseases of the eye or by an optometrist.

(8) Maintenance, not exceeding the additional costs incurred while participating in rehabilitation.

(9) Occupational licenses, tools, equipment, and initial stocks and supplies.

(10) Rehabilitation technology services, which shall include rehabilitation engineering and assistive technology services and devices.

(11) On-the-job or other related personal assistance services provided to an individual with a disability who is receiving other vocational rehabilitation services.

(12) Transition services to students, pursuant to cooperative agreements established under Section 19013, that promote or facilitate the accomplishment of long-term rehabilitation goals and intermediate rehabilitation objectives.

(13) Referral and other services designed to assist individuals with disabilities in securing needed services from other agencies through agreements developed pursuant to Section 19013.

(14) The provision of other programs and services when provided for the benefit of groups of individuals, including, but not limited to, any of the following:

(A) In the case of any type of small business operated by individuals with severe disabilities, the operation of which can be improved by management services and supervision provided by the department, the provision of those services and supervision, alone or together with the acquisition by the department of vending stands and other equipment and initial stocks and supplies.

(B) The establishment, development, or improvement of community rehabilitation programs that promise to contribute substantially to the rehabilitation of a group of individuals but that are not related directly to the rehabilitation plan of any one individual with a disability, providing the program is used to provide services that promote integration and competitive employment, including supported employment.

(C) Technical assistance and support services to businesses that are not subject to Subchapter 1 (commencing with Section 12111) of Chapter 126 of Title 42 of the United States Code and that are seeking to employ individuals with disabilities.

(15) Transportation in connection with the rendering of any other vocational rehabilitation service.

(16) Any other goods and services necessary to render a person with disabilities employable.

(17) Services to the families of persons with disabilities when those services will contribute substantially to the rehabilitation of those individuals.

(b) For the purposes of subdivision (a), full consideration of

eligibility for any comparable service or benefit shall be utilized to the extent permitted by federal law.

SEC. 233. Section 23.5 of Chapter 503 of the Statutes of 1955, as amended by Chapter 290 of the Statutes of 1993, is amended to read:

Sec. 23.5. (a) The Legislature hereby finds and declares that a county may face substantial expense in maintaining a roll or system that reflects both current values of property for the purpose of ad valorem assessments as provided by this act and the property values for general taxation mandated by Article XIII A of the California Constitution. The Legislature further finds and declares that a fair and proper assessment for district objects and purposes may be imposed on the alternative basis of the use to which the benefited land may be put and the services and benefits provided.

(b) The board of supervisors of the county and the board of directors of the district may evaluate the costs of maintaining a system to determine benefits according to assessed valuation of land and improvements thereon pursuant to Section 23 and the cost of determining benefits pursuant to use and services and benefits provided pursuant to this section. Pursuant to that determination, the board of supervisors and the board of directors may elect to impose an assessment as set forth in Section 23 or this section sufficient to raise the amount or amounts represented annually by the district.

(c) The assessment authorized to be imposed on each parcel under this section shall be based upon the parcel's proportionate benefit, taking into account the zone in which it is located, its size, and its capacity for being put to use, with respect to all other parcels in the district. The aggregate of all the assessments shall not exceed the maximum limit set forth in Section 23, except as that limit is increased by the qualified voters of the district.

(d) Prior to July 10 of each year, the district shall transmit to the board of supervisors the zones of benefit and land use categories required to impose the assessment authorized by this section.

(e) Prior to March 1 of any year, landowners in the district may petition the board of directors to review, or the board of directors may elect to review on its own motion, the zones of benefit or land use categories determined by the district and submitted to the board of supervisors pursuant to this section. The petition shall be signed by at least 1 percent of the landowners within the district. The board of directors shall set a time and place for hearing upon the petition and shall give notice of the hearing by publishing the notice twice in a publication of general circulation at least 20 days prior to the hearing. The board of directors may, by resolution at the conclusion of the hearing, modify the zones of benefit or the land use categories as, in its judgment, is required and that modification shall become effective the next tax year, but in no event later than the next tax year following the next March 1.

(f) If the board of supervisors of the county and the board of directors of the district elect to use the alternative assessment basis

provided in this section, the county and the district may recover their reasonable costs of preparing, imposing, and collecting the assessments. The district shall pay to the county from the proceeds of the assessments the county's portion of the costs.

SEC. 234. Section 2 of Chapter 775 of the Statutes of 1989, as amended by Chapter 1207 of the Statutes of 1993, is amended to read:

Sec. 2. The Superintendent of Public Instruction shall develop model performance standards and a framework for instruction in consumer and home economics. The State Department of Education shall prepare and disseminate information to school districts and county offices of education offering instruction in consumer and home economics education that includes all of the following:

(a) A definition of the content areas as delineated in the consumer and home economics education model curriculum standards and framework, and of the scope and sequence of the instruction to be provided in grades 6 to 12, inclusive.

(b) Guidelines for the incorporation or implementation of the model curriculum standards into existing consumer and home economics education programs.

(c) A clarification of the qualifications required of personnel assigned to teach consumer and home economics education courses.

(d) A delineation of how consumer and home economics education instruction should be articulated in grades 6 to 12, inclusive, and with other home economics occupational programs at the secondary and postsecondary education levels.

(e) Specific information as to how consumer and home economics education courses can be strengthened pursuant to subdivision (b) of Section 51225.3 of the Education Code in adopting alternative means for pupils to complete the prescribed course of study for graduation.

(f) Quality criteria to ensure an effective consumer and homemaking education instructional program.

SEC. 235. Section 22 of Chapter 1608 of the Statutes of 1990, as amended by Chapter 589 of the Statutes of 1993, is amended to read:

Sec. 22. If both this bill and SB 2268 are enacted and become effective on or before January 1, 1991, and each bill amends Section 33080.4 of the Health and Safety Code, as amended by Section 7 of Chapter 1140 of the Statutes of 1989, and this bill is enacted after SB 2268, then Section 33080.4 of the Health and Safety Code, as amended by Section 12 of this bill, shall not become operative.

SEC. 236. Section 4 of Chapter 346 of the Statutes of 1992 is amended to read:

Sec. 4. For the purposes of Sections 17922.2 and 18941.6, as added to the Health and Safety Code by this act, and notwithstanding the meaning of "local conditions" as used elsewhere in Part 1.5 (commencing with Section 17910) of Division 13 of the Health and Safety Code, and Part 2.5 (commencing with Section 18901) of Division 13 of the Health and Safety Code, it is the intent of the Legislature that the term "local conditions" shall only include the

impact of the implementation of seismic strengthening standards on the preservation of qualified historic structures (as governed by the State Historical Building Code, Part 2.7 (commencing with Section 18950) of Division 13 of the Health and Safety Code), participation in historic preservation programs such as the California Mainstreet Program, and the preservation of affordable housing.

SEC. 237. Section 10 of Chapter 312 of the Statutes of 1993 is amended to read:

Sec. 10. This act shall not become operative unless and until the Interstate Commerce Commission has adopted and made effective final regulations embodying standards set forth in the Intermodal Surface Transportation Efficiency Act of 1991 (49 U.S.C. Sec. 11506).

SEC. 238. Section 1 of Chapter 1270 of the Statutes of 1993 is amended to read:

Section 1. The Legislature finds and declares each of the following:

(a) The photograph files at some police and sheriff's departments are expensive and difficult to maintain, and untimely if copies are urgently needed by other law enforcement agencies.

(b) The criminal justice agencies of this state do not have a statewide system to retain, identify, and communicate criminal photographs.

(c) This act is intended to assure the creation of a statewide automated system (Cal-Photo) for the storing and communication of law enforcement related photographs after the Department of Justice completes a feasibility study as specified in Section 11110 of the Penal Code and a report to the Legislature concerning the study as specified in that section.

SEC. 239. Section 7 of Chapter 1270 of the Statutes of 1993 is amended to read:

Sec. 7. Section 11110 of the Penal Code shall be funded from moneys appropriated by the Legislature in the Budget Act of 1994 or from existing resources of the Department of Justice other than fees collected pursuant to subdivision (e) of Section 11105 of the Penal Code.

SEC. 240. Any section of any act enacted by the Legislature during the 1994 calendar year that takes effect on or before January 1, 1995, and that amends, amends and renumbers, adds, repeals and adds, or repeals a section amended, amended and renumbered, repealed and added, or repealed by this act, shall prevail over this act, whether that act is enacted prior to, or subsequent to, this act. The repeal, or repeal and addition, of any article, chapter, part, title, or division of any code by this act shall not become operative if any section of any other act amends, amends and renumbers, adds, repeals and adds, or repeals any section contained in that article, chapter, part, title, or division.

CHAPTER 147

An act to amend Section 3750 of the Family Code, to add Sections 22793.1 and 22825.14 to the Government Code, to amend Sections 1233.5, 1357.03, 1357.50, 1373, and 1374.57 of, and to add Section 1374.3 to, the Health and Safety Code, to amend Sections 10117, 10119, and 10700 of, and to add Sections 10702.1, 10719.1, and 10731.2 to, the Insurance Code, to add Sections 2803.4 and 2803.5 to the Labor Code, to amend Sections 14006.7, 14009.5, 14015, 14132.44, 14133.22, and 14163 of, and to add Sections 14005.20, 14087.46, 14105.336, 14124.93, 14132.47, 14132.48, and 14148.75 to, and to add and repeal Section 14105.335 of, the Welfare and Institutions Code, relating to human services, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 9, 1994. Filed with
Secretary of State July 11, 1994.]

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

SECTION 1. Section 3750 of the Family Code is amended to read:
3750. "Health insurance coverage" as used in this article includes all of the following:

(a) Vision care and dental care coverage whether the vision care or dental care coverage is part of existing health insurance coverage or is issued as a separate policy or plan.

(b) Provision for the delivery of health care services by a fee for service, health maintenance organization, preferred provider organization, or any other type of health care delivery system under which medical services could be provided to a dependent child of an absent parent.

(c) Notwithstanding any other provision of this article or of a health care service plan contract, every health care service plan shall comply with the requirements of Section 14124.93 of the Welfare and Institutions Code in the case of children who are eligible for medicaid services under Subchapter 19 (commencing with Section 1396) of Chapter 7 of Title 42 of the United States Code.

SEC. 2. Section 22793.1 is added to the Government Code, to read:

22793.1. (a) A plan or contract shall not provide any of the following:

(1) An exception for other coverage where the other coverage is entitlement to Medi-Cal benefits under Chapter 7 (commencing with Section 14000) or Chapter 8 (commencing with Section 14200) of Part 3 of Division 9 of the Welfare and Institutions Code, or medicaid benefits under Subchapter 19 (commencing with Section 1396) of Chapter 7 of Title 42 of the United States Code.

(2) An exception for Medi-Cal or medicaid benefits.

(3) A provision that the benefits payable under the plan or

contract are subject to reduction if the individual insured has entitlement to Medi-Cal or medicaid benefits.

(4) An exception for enrollment for benefits because of an applicant's entitlement to Medi-Cal or medicaid benefits.

(b) Each plan approved or contract made under this part shall be considered in determining the liability of any third party for medical expenses incurred by a Medi-Cal recipient under Section 14124.90 of the Welfare and Institutions Code or a medicaid recipient under Subchapter 19 (commencing with Section 1396) of Chapter 7 of Title 42 of the United States Code.

SEC. 3. Section 22825.14 is added to the Government Code, to read:

22825.14. Any person or entity subject to the requirements of this chapter shall comply with the standards set forth in Section 14124.93 of the Welfare and Institutions Code, in the case of children who are eligible for medicaid services under Subchapter 19 (commencing with Section 1396) of Chapter 7 of Title 42 of the United States Code.

SEC. 4. Section 1233.5 of the Health and Safety Code is amended to read:

1233.5. By June 30, 1995, a licensed clinic board of directors and its medical director shall establish and adopt written policies and procedures to screen patients for purposes of detecting spousal or partner abuse. The policies shall include procedures to accomplish all of the following:

(a) Identifying, as part of its medical screening, spousal or partner abuse among patients.

(b) Documenting in the medical record patient injuries or illnesses attributable to spousal or partner abuse.

(c) Providing to patients who exhibit signs of spousal or partner abuse a current referral list of private and public community agencies that provide, or arrange for, the evaluation, counseling, and care of persons experiencing spousal or partner abuse, including, but not limited to, hot lines, local battered women's shelters, legal services, and information about temporary restraining orders.

(d) Designating licensed clinical staff to be responsible for the implementation of these guidelines.

It is the intent of the Legislature that clinics, for purposes of satisfying the requirements of this section, adopt guidelines similar to those developed by the American Medical Association regarding domestic violence detection and referral. The Legislature recognizes that while guidelines evolve and change, the American Medical Association's guidelines may serve, at this time, as a model for clinics to follow.

SEC. 5. Section 1357.03 of the Health and Safety Code is amended to read:

1357.03. (a) Upon the effective date of this article, a plan shall fairly and affirmatively offer, market, and sell all of the plan's health care service plan contracts that are sold to small employers or to associations that include small employers to all small employers in

each service area in which the plan provides or arranges for the provision of health care services. A plan contracting to participate in the voluntary purchasing pool for small employers provided for under Article 4 (commencing with Section 10730) of Chapter 14 of Part 2 of Division 2 of the Insurance Code shall be deemed in compliance with this requirement for a contract offered through the voluntary purchasing pool established under Article 4 (commencing with Section 10730) of Chapter 14 of Part 2 of Division 2 of the Insurance Code in those geographic regions in which plans participate in the pool, if the contract is offered exclusively through the pool. Each plan shall make available to each small employer all small employer health care service plan contracts which the plan offers and sells to small employers or to associations that include small employers in this state. No plan or solicitor shall induce or otherwise encourage a small employer to separate or otherwise exclude an eligible employee from a health care service plan contract that is provided in connection with the employee's employment or membership in a guaranteed association.

(b) Every plan shall file with the commissioner the reasonable employee participation requirements and employer contribution requirements that will be applied in offering its plan contracts. Participation requirements shall be applied uniformly among all small employer groups, except that a plan may vary application of minimum employee participation requirements by the size of the small employer group and whether the employer contributes 100 percent of the eligible employee's premium. Employer contribution requirements shall not vary by employer size. Members of an association eligible for health coverage under subdivision (o) of Section 1357 but not electing any health coverage through the association shall not be counted as eligible employees for purposes of determining whether the guaranteed association meets a plan's reasonable participation standards.

(c) The plan may not reject an application from a small employer for a health care service plan contract if all of the following are met:

(1) The small employer, as defined by paragraph (1) of subdivision (l) of Section 1357 offers health benefits to 100 percent of its eligible employees, as defined by paragraph (1) of subdivision (b) of Section 1357. Employees who waive coverage on the grounds that they have other group coverage shall not be counted as eligible employees.

(2) The small employer agrees to make the required premium payments.

(3) The small employer agrees to inform the small employers' employees of the availability of coverage and the provision that those not electing coverage must wait one year to obtain coverage through the group if they later decide they would like to have coverage.

(4) The employees and their dependents who are to be covered by the plan contract work or reside in the service area in which the plan provides or otherwise arranges for the provision of health care

services.

(d) No plan or solicitor shall, directly or indirectly, engage in the following activities:

(1) Encourage or direct small employers to refrain from filing an application for coverage with a plan because of the health status, claims experience, industry, occupation of the small employer, or geographic location provided that it is within the plan's approved service area.

(2) Encourage or direct small employers to seek coverage from another plan or the voluntary purchasing pool established under Article 4 (commencing with Section 10730) of Chapter 14 of Part 2 of Division 2 of the Insurance Code because of the health status, claims experience, industry, occupation of the small employer, or geographic location provided that it is within the plan's approved service area.

(e) No plan shall, directly or indirectly, enter into any contract, agreement, or arrangement with a solicitor that provides for or results in the compensation paid to a solicitor for the sale of a health care service plan contract to be varied because of the health status, claims experience, industry, occupation, or geographic location of the small employer. This subdivision shall not apply with respect to a compensation arrangement that provides compensation to a solicitor on the basis of percentage of premium, provided that the percentage shall not vary because of the health status, claims experience, industry, occupation, or geographic area of the small employer.

(f) Each plan shall comply with the requirements of Section 1374.3.

SEC. 6. Section 1357.50 of the Health and Safety Code is amended to read:

1357.50. For purposes of this article:

(a) "Health benefit plan" means any individual or group, insurance policy or health care service plan contract, that provides medical, hospital, and surgical benefits. The term does not include accident only, credit, disability income, coverage of Medicare services pursuant to contracts with the United States government, Medicare supplement, long-term care insurance, dental, vision, coverage issued as a supplement to liability insurance, insurance arising out of a workers' compensation or similar law, automobile medical payment insurance, or insurance under which benefits are payable with or without regard to fault and that is statutorily required to be contained in any liability insurance policy or equivalent self-insurance.

(b) "Late enrollee" means an eligible employee or dependent who has declined health coverage under a health benefit plan offered through employment or sponsored by an employer at the time of the initial enrollment period provided under the terms of the health benefit plan, and who subsequently requests enrollment in a health benefit plan of that employer; provided that the initial

enrollment period shall be a period of at least 30 days. However, an eligible employee or dependent shall not be considered a late enrollee if any of the following is applicable:

(1) The individual meets all of the following requirements:

(A) The individual was covered under another employer health benefit plan at the time the individual was eligible to enroll.

(B) The individual certified, at the time of the initial enrollment that coverage under another employer health benefit plan was the reason for declining enrollment provided that, if the individual was covered under another employer health plan, the individual was given the opportunity to make the certification required by this subdivision and was notified that failure to do so could result in later treatment as a late enrollee.

(C) The individual has lost or will lose coverage under another employer health benefit plan as a result of termination of employment of the individual or of a person through whom the individual was covered as a dependent, change in employment status of the individual or of a person through whom the individual was covered as a dependent, termination of the other plan's coverage, cessation of an employer's contribution toward an employee or dependent's coverage, death of a person through whom the individual was covered as a dependent, or divorce.

(D) The individual requests enrollment within 30 days after termination of coverage, or cessation of employer contribution toward coverage provided under another employer health benefit plan.

(2) The individual is employed by an employer that offers multiple health benefit plans and the individual elects a different plan during an open enrollment period.

(3) A court has ordered that coverage be provided for a spouse or minor child under a covered employee's health benefit plan. The health benefits plan shall enroll a dependent child within 30 days of presentation of a court order by the district attorney, or upon presentation of a court order or request by a custodial party, as described in subdivision (j) of Section 14124.93 of the Welfare and Institutions Code, or the Medi-Cal program.

(4) The plan cannot produce a written statement from the employer stating that, prior to declining coverage, the individual or the person through whom the individual was eligible to be covered as a dependent was provided with, and signed acknowledgment of, explicit written notice in bold type specifying that failure to elect coverage during the initial enrollment period permits the plan to impose, at the time of the individual's later decision to elect coverage, an exclusion from coverage for a period of 12 months as well as a six-month preexisting condition exclusion, unless the individual meets the criteria specified in paragraph (1), (2), or (3).

(c) "Preexisting condition provision" means a contract provision that excludes coverage for charges or expenses incurred during a specified period following the enrollee's effective date of coverage,

as to a condition for which medical advice, diagnosis, care, or treatment was recommended or received during a specified period immediately preceding the effective date of coverage.

(d) "Qualifying prior coverage" means:

(1) Any individual or group policy, contract or program, that is written or administered by a disability insurance company, nonprofit hospital service plan, health care service plan, fraternal benefits society, self-insured employer plan, or any other entity, in this state or elsewhere, and that arranges or provides medical, hospital and surgical coverage not designed to supplement other private or governmental plans. The term includes continuation or conversion coverage but does not include accident only, credit, disability income, Medicare supplement, long-term care insurance, dental, vision, coverage issued as a supplement to liability insurance, insurance arising out of a workers' compensation or similar law, automobile medical payment insurance, or insurance under which benefits are payable with or without regard to fault and that is statutorily required to be contained in any liability insurance policy or equivalent self-insurance.

(2) The federal Medicare program pursuant to Title XVIII of the Social Security Act.

(3) The medicaid program pursuant to Title XIX of the Social Security Act.

(4) Any other publicly sponsored program, provided in this state or elsewhere, of medical, hospital and surgical care.

(e) "Waivered condition" means a contract provision that excludes coverage for charges or expenses incurred during a specified period of time for one or more specific, identified, medical conditions.

SEC. 7. Section 1373 of the Health and Safety Code is amended to read:

1373. (a) A plan contract may not provide an exception for other coverage where the other coverage is entitlement to Medi-Cal benefits under Chapter 7 (commencing with Section 14000) or Chapter 8 (commencing with Section 14200) of Part 3 of Division 9 of the Welfare and Institutions Code, or medicaid benefits under Subchapter 19 (commencing with Section 1396) of Chapter 7 of Title 42 of the United States Code.

Each plan contract shall be interpreted not to provide an exception for the Medi-Cal or medicaid benefits.

A plan contract shall not provide an exemption for enrollment because of an applicant's entitlement to Medi-Cal benefits under Chapter 7 (commencing with Section 14000) or Chapter 8 (commencing with Section 14200) of Part 3 of Division 9 of the Welfare and Institutions Code, or medicaid benefits under Subchapter 19 (commencing with Section 1396) of Chapter 7 of Title 42 of the United States Code.

A plan contract may not provide that the benefits payable thereunder are subject to reduction if the individual insured has

entitlement to the Medi-Cal or medicaid benefits.

(b) A plan contract that provides coverage, whether by specific benefit or by the effect of general wording, for sterilization operations or procedures shall not impose any disclaimer, restriction on, or limitation of, coverage relative to the covered individual's reason for sterilization.

As used in this section, "sterilization operations or procedures" shall have the same meaning as that specified in Section 10120 of the Insurance Code.

(c) Every plan contract that provides coverage to the spouse or dependents of the subscriber or spouse shall grant immediate accident and sickness coverage, from and after the moment of birth, to each newborn infant of any subscriber or spouse covered and to each minor child placed for adoption from and after the date on which the adoptive child's birth parent or other appropriate legal authority signs a written document, including, but not limited to, a health facility minor release report, a medical authorization form, or a relinquishment form, granting the subscriber or spouse the right to control health care for the adoptive child or, absent this written document, on the date there exists evidence of the subscriber's or spouse's right to control the health care of the child placed for adoption. No such plan may be entered into or amended if it contains any disclaimer, waiver, or other limitation of coverage relative to the coverage or insurability of newborn infants of, or children placed for adoption with, a subscriber or spouse covered as required by this subdivision.

(d) Every plan contract that provides that coverage of a dependent child of a subscriber shall terminate upon attainment of the limiting age for dependent children specified in the plan, shall also provide in substance that attainment of the limiting age shall not operate to terminate the coverage of the child while the child is and continues to be both (1) incapable of self-sustaining employment by reason of mental retardation or physical handicap and (2) chiefly dependent upon the subscriber for support and maintenance, provided proof of the incapacity and dependency is furnished to the plan by the member within 31 days of the request for the information by the plan or group plan contractholder and subsequently as may be required by the plan or group plan contractholder, but not more frequently than annually after the two-year period following the child's attainment of the limiting age.

(e) A plan contract which provides coverage, whether by specific benefit or by the effect of general wording, for both an employee and one or more covered persons dependent upon the employee and provides for an extension of the coverage for any period following a termination of employment of the employee shall also provide that this extension of coverage shall apply to dependents upon the same terms and conditions precedent as applied to the covered employee, for the same period of time, subject to payment of premiums, if any, as required by the terms of the policy and subject to any applicable

collective bargaining agreement.

(f) A group contract shall not discriminate against handicapped persons or against groups containing handicapped persons. Nothing in this subdivision shall preclude reasonable provisions in a plan contract against liability for services or reimbursement of the handicap condition or conditions relating thereto, as may be allowed by rules of the commissioner.

(g) Every group contract shall set forth the terms and conditions under which subscribers and enrollees may remain in the plan in the event the group ceases to exist, the group contract is terminated or an individual subscriber leaves the group, or the enrollees' eligibility status changes.

(h) (1) A health care service plan or specialized health care service plan may provide for coverage of, or for payment for, professional mental health services, or vision care services, or for the exclusion of these services. If the terms and conditions include coverage for services provided in a general acute care hospital or an acute psychiatric hospital as defined in Section 1250 and do not restrict or modify the choice of providers, the coverage shall extend to care provided by a psychiatric health facility as defined in Section 1250.2 operating pursuant to licensure by the State Department of Mental Health. A health care service plan that offers outpatient mental health services but does not cover these services in all of its group contracts shall communicate to prospective group contractholders as to the availability of outpatient coverage for the treatment of mental or nervous disorders.

(2) No plan shall prohibit the member from selecting any psychologist who is licensed pursuant to the Psychology Licensing Law (Chapter 6.6 (commencing with Section 2900) of Division 2 of the Business and Professions Code), any optometrist who is the holder of a certificate issued pursuant to Chapter 7 (commencing with Section 3000) of Division 2 of the Business and Professions Code or, upon referral by a physician and surgeon licensed pursuant to the Medical Practice Act (Chapter 5 (commencing with Section 2000) of Division 2 of the Business and Professions Code), (i) any marriage, family, and child counselor who is the holder of a license under Section 4980.50 of the Business and Professions Code, (ii) any licensed clinical social worker who is the holder of a license under Section 4996 of the Business and Professions Code, or (iii) any registered nurse licensed pursuant to Chapter 6 (commencing with Section 2700) of Division 2 of the Business and Professions Code who possesses a master's degree in psychiatric-mental health nursing and two years of supervised experience in psychiatric-mental health nursing, at the time that the State Board of Registered Nurses produces and maintains a list of those psychiatric-mental health nurses who possess a master's degree in psychiatric-mental health nursing and two years of supervised experience in psychiatric-mental health nursing, to perform the particular services covered under the terms of the plan, and the certificate holder is

expressly authorized by law to perform these services.

(3) Nothing in this section shall be construed to allow any certificate holder or licensee enumerated in this section to perform professional mental health services beyond his or her field or fields of competence as established by his or her education, training and experience.

(4) For the purposes of this section, "marriage, family, and child counselor" means a licensed marriage, family, and child counselor who has received specific instruction in assessment, diagnosis, prognosis, and counseling, and psychotherapeutic treatment of premarital, marriage, family, and child relationship dysfunctions which is equivalent to the instruction required for licensure on January 1, 1981.

(5) Nothing in this section shall be construed to allow a member to select and obtain mental health or psychological or vision care services from a certificate or licenseholder who is not directly affiliated with or under contract to the health care service plan or specialized health care service plan to which the member belongs. All health care service plans and individual practice associations that offer mental health benefits shall make reasonable efforts to make available to their members the services of licensed psychologists. However, a failure of a plan or association to comply with the requirements of the preceding sentence shall not constitute a misdemeanor.

(6) As used in this subdivision, "individual practice association" means an entity as defined in subsection (5) of Section 1307 of the federal Public Health Service Act (42 U.S.C. Sec. 300e-1, subsec. (5)).

(7) Health care service plan coverage for professional mental health services may include community residential treatment services that are alternatives to inpatient care and which are directly affiliated with the plan or to which enrollees are referred by providers affiliated with the plan.

(i) If the plan utilizes arbitration to settle disputes, the plan contracts shall set forth the type of disputes subject to arbitration, the process to be utilized, and how it is to be initiated.

(j) A plan contract which provides benefits that accrue after a certain time of confinement in a health care facility shall specify what constitutes a day of confinement or the number of consecutive hours of confinement that are requisite to the commencement of benefits.

SEC. 8. Section 1374.3 is added to the Health and Safety Code, to read:

1374.3. Notwithstanding any other provision of this article or of a health care service plan contract, every health care service plan shall comply with the requirements of Section 14124.93 of the Welfare and Institutions Code in the case of children who are eligible for medicaid services under Subchapter 19 (commencing with Section 1396) of Chapter 7 of Title 42 of the United States Code.

SEC. 9. Section 1374.57 of the Health and Safety Code is amended

to read:

1374.57. (a) No group health care service plan that provides hospital, medical, or surgical expense benefits for employees or subscribers and their dependents shall exclude a dependent child from eligibility or benefits solely because the dependent child does not reside with the employee or subscriber.

(b) A health care service plan that provides hospital, medical, or surgical expense benefits for employees or subscribers and their dependents shall enroll, upon application by the employer or group administrator, a dependent child of the noncustodial parent when the parent is the employee or subscriber, at any time the noncustodial or custodial parent makes an application for enrollment to the employer or group administrator when a court order for medical support exists. Except as provided in Section 1374.3, the application to the employer or group administrator shall be made within 90 days of the issuance of the court order. In the case of children who are eligible for medicaid, the State Department of Health Services or the district attorney in whose jurisdiction the child resides may make that application.

(c) This section shall not be construed to require that a health care service plan enroll a dependent who resides outside the plan's geographic service area, except as provided in Section 1374.3.

(d) Notwithstanding any other provision of this section, all health care service plans shall comply with the standards set forth in Section 1374.3.

SEC. 10. Section 10117 of the Insurance Code is amended to read:

10117. (a) A policy of disability insurance, self-insured employee welfare benefit plan, or nonprofit hospital service plan may not provide an exception for other coverage where the other coverage is entitlement to Medi-Cal benefits under Chapter 7 (commencing with Section 14000) or Chapter 8 (commencing with Section 14500) of Part 3 of Division 9 of the Welfare and Institutions Code, or medicaid benefits under Subchapter 19 (commencing with Section 1396) of Chapter 7 of Title 42 of the United States Code. Each policy of disability insurance shall be interpreted not to provide an exception for those Medi-Cal or medicaid benefits.

(b) A policy of disability insurance may not provide that the benefits payable thereunder are subject to reduction if the individual insured has entitlement to such Medi-Cal benefits.

(c) A policy of disability insurance, self-insured employee welfare benefit plan, or nonprofit hospital service plan shall not provide an exception for enrollment for benefits because of an applicant's entitlement to Medi-Cal benefits under Chapter 7 (commencing with Section 14000) or Chapter 8 (commencing with Section 14500) of Part 3 of Division 9 of the Welfare and Institutions Code, or medicaid benefits under Subchapter 19 (commencing with Section 1396) of Chapter 7 of Title 42 of the United States Code.

SEC. 11. Section 10119 of the Insurance Code is amended to read:

10119. On and after the operative date of this section:

(a) No policy of disability insurance which, in addition to covering the insured, also covers members of the insured's immediate family, may be issued or amended in this state if it contains any disclaimer, waiver, or other limitation of coverage relative to the accident and sickness coverage or insurability of newborn infants of an insured from and after the moment of birth or of any minor child placed with an insured for adoption from and after the moment the child is placed in the physical custody of the insured for adoption.

(b) Each such policy of disability insurance shall contain a provision granting immediate accident and sickness coverage to each newborn infant of, and each minor child placed for adoption with, any insured as required by subdivision (a).

(c) A policy of disability insurance, self-insured care coverage, employee welfare benefit plan, or nonprofit hospital service plan, shall comply with the standards set forth in Section 14124.93 of the Welfare and Institutions Code, in the case of children who are eligible for medicaid services under Subchapter 19 (commencing with Section 1396) of Chapter 7 of Title 42 of the United States Code.

SEC. 12. Section 10700 of the Insurance Code is amended to read: 10700. As used in this chapter:

(a) "Agent or broker" means a person or entity licensed under Chapter 5 (commencing with Section 1621) of Part 2 of Division 1.

(b) "Benefit plan design" means a specific health coverage product issued by a carrier to small employers, to trustees of associations that include small employers, or to individuals if the coverage is offered through employment or sponsored by an employer. It includes services covered and the levels of copayment and deductibles, and it may include the professional providers who are to provide those services and the sites where those services are to be provided. A benefit plan design may also be an integrated system for the financing and delivery of quality health care services which has significant incentives for the covered individuals to use the system.

(c) "Board" means the Major Risk Medical Insurance Board.

(d) "Carrier" means any disability insurance company, nonprofit hospital service plan, or any other entity that writes, issues, or administers health benefit plans that cover the employees of small employers, regardless of the situs of the contract or master policyholder. For the purposes of Articles 3 (commencing with Section 10719) and 4 (commencing with Section 10730), "carrier" also includes health care service plans.

(e) "Dependent" means the spouse or child of an eligible employee, subject to applicable terms of the health benefit plan covering the employee, and includes dependents of guaranteed association members if the association elects to include dependents under its health coverage at the same time it determines its membership composition pursuant to subdivision (z).

(f) "Eligible employee" means either of the following:

(1) Any permanent employee who is actively engaged on a

full-time basis in the conduct of the business of the small employer with a normal work week of at least 30 hours, in the small employer's regular place of business, who has met any statutorily authorized applicable waiting period requirements. The term includes sole proprietors or partners of a partnership, if they are actively engaged on a full-time basis in the small employer's business, and they are included as employees under a health benefit plan of a small employer, but does not include employees who work on a part-time, temporary, or substitute basis. It includes any eligible employee as defined in this paragraph who obtains coverage through a guaranteed association. Employees of employers purchasing through a guaranteed association shall be deemed to be eligible employees if they would otherwise meet the definition except for the number of persons employed by the employer.

(2) Any member of a guaranteed association as defined in subdivision (z).

(g) "Enrollee" means an eligible employee or dependent who receives health coverage through the program from a participating carrier.

(h) "Financially impaired" means, for the purposes of this chapter, a carrier that, on or after the effective date of this chapter, is not insolvent and is either:

(1) Deemed by the commissioner to be potentially unable to fulfill its contractual obligations.

(2) Placed under an order of rehabilitation or conservation by a court of competent jurisdiction.

(i) "Fund" means the California Small Group Reinsurance Fund.

(j) "Health benefit plan" means a policy or contract written or administered by a carrier that arranges or provides health care benefits for the covered eligible employees of a small employer and their dependents. The term does not include accident only, credit, disability income, coverage of Medicare services pursuant to contracts with the United States government, Medicare supplement, long-term care insurance, dental, vision, coverage issued as a supplement to liability insurance, automobile medical payment insurance, or insurance under which benefits are payable with or without regard to fault and that is statutorily required to be contained in any liability insurance policy or equivalent self-insurance.

(k) "In force business" means an existing health benefit plan issued by the carrier to a small employer.

(l) "Late enrollee" means an eligible employee or dependent who has declined health coverage under a health benefit plan offered by a small employer at the time of the initial enrollment period provided under the terms of the health benefit plan, and who subsequently requests enrollment in a health benefit plan of that small employer; provided that the initial enrollment period shall be a period of at least 30 days. It also means any member of an association that is a guaranteed association as well as any other person

eligible to purchase through the guaranteed association when that person has failed to purchase coverage during the initial enrollment period provided under the terms of the guaranteed association's health benefit plan and who subsequently requests enrollment in the plan, provided that the initial enrollment period shall be a period of at least 30 days. However, an eligible employee, another person eligible for coverage through a guaranteed association pursuant to subdivision (z), or dependent shall not be considered a late enrollee if: (1) the individual meets all of the following: (A) was covered under another employer health benefit plan at the time the individual was eligible to enroll; (B) certified at the time of the initial enrollment, that coverage under another employer health benefit plan was the reason for declining enrollment provided that, if the individual was covered under another employer health plan, the individual was given the opportunity to make the certification required by this subdivision and was notified that failure to do so could result in later treatment as a late enrollee; (C) has lost or will lose coverage under another employer health benefit plan as a result of termination of employment of the individual or of a person through whom the individual was covered as a dependent, change in employment status of the individual, or of a person through whom the individual was covered as a dependent, the termination of the other plan's coverage, cessation of an employer's contribution toward an employee or dependent's coverage, death of the person through whom the individual was covered as a dependent, or divorce; and (D) requests enrollment within 30 days after termination of coverage or employer contribution toward coverage provided under another employer health benefit plan; or (2) the individual is employed by an employer who offers multiple health benefit plans and the individual elects a different plan during an open enrollment period; or (3) a court has ordered that coverage be provided for a spouse or minor child under a covered employee's health benefit plan; or (4) (A) in the case of an eligible employee as defined in paragraph (1) of subdivision (b), the carrier cannot produce a written statement from the employer stating that the individual or the person through whom an individual was eligible to be covered as a dependent, prior to declining coverage, was provided with, and signed acknowledgment of, an explicit written notice in bold type specifying that failure to elect coverage during the initial enrollment period permits the carrier to impose, at the time of the individual's later decision to elect coverage, an exclusion from coverage for a period of 12 months as well as a six-month preexisting condition exclusion unless the individual meets the criteria specified in paragraph (1), (2), or (3); (B) in the case of an eligible employee who is a guaranteed association member, the plan cannot produce a written statement from the guaranteed association stating that the association sent a written notice in bold type to all association members at their last known address prior to the initial enrollment period informing members that failure to elect coverage

during the initial enrollment period permits the plan to impose, at the time of the member's later decision to elect coverage, an exclusion from coverage for a period of 12 months as well as a six-month preexisting condition exclusion unless the member can demonstrate that he or she meets the requirements of subparagraphs (A), (C), and (D) of paragraph (1) or paragraph (2) or (3); or (C) in the case of an employer or person who is not a member of an association, was eligible to purchase coverage through a guaranteed association, and did not do so, and would not be eligible to purchase guaranteed coverage unless purchased through a guaranteed association, the employer or person can demonstrate that he or she meets the requirements of subparagraphs (A), (C), and (D) of paragraph (1), or paragraph (2) or (3), or that he or she recently had a change in status that would make him or her eligible and that application for coverage was made within 30 days of the change.

(m) "New business" means a health benefit plan issued to a small employer that is not the carrier's in force business.

(n) "Participating carrier" means a carrier that has entered into a contract with the program to provide health benefits coverage under this part.

(o) "Plan of operation" means the plan of operation of the fund, including articles, bylaws and operating rules adopted by the fund pursuant to Article 3 (commencing with Section 10719).

(p) "Program" means the Voluntary Alliance Uniting Employers Purchasing Program.

(q) "Preexisting condition provision" means a policy provision that excludes coverage for charges or expenses incurred during a specified period following the insured's effective date of coverage, as to a condition for which medical advice, diagnosis, care, or treatment was recommended or received during a specified period immediately preceding the effective date of coverage.

(r) "Qualifying prior coverage" means:

(1) Any individual or group policy, contract, or program, that is written or administered by a disability insurer, nonprofit hospital service plan, health care service plan, fraternal benefits society, self-insured employer plan, or any other entity, in this state or elsewhere, and that arranges or provides medical, hospital, and surgical coverage not designed to supplement other private or governmental plans. The term includes continuation or conversion coverage but does not include accident only, credit, disability income, Medicare supplement, long-term care, dental, vision, coverage issued as a supplement to liability insurance, insurance arising out of a workers' compensation or similar law, automobile medical payment insurance, or insurance under which benefits are payable with or without regard to fault and that is statutorily required to be contained in any liability insurance policy or equivalent self-insurance.

(2) The federal Medicare program pursuant to Title XVIII of the Social Security Act.

(3) The medicaid program pursuant to Title XIX of the Social Security Act.

(4) Any other publicly sponsored program, provided in this state or elsewhere, of medical, hospital, and surgical care.

(s) "Rating period" means the period for which premium rates established by a carrier are in effect and shall be no less than six months.

(t) "Risk adjusted employee risk rate" means the rate determined for an eligible employee of a small employer in a particular risk category after applying the risk adjustment factor.

(u) "Risk adjustment factor" means the percent adjustment to be applied equally to each standard employee risk rate for a particular small employer, based upon any expected deviations from standard claims. This factor may not be more than 120 percent or less than 80 percent until July 1, 1996. Effective July 1, 1996, this factor may not be more than 110 percent or less than 90 percent.

(v) "Risk category" means the following characteristics of an eligible employee: age, geographic region, and family size of the employee, plus the benefit plan design selected by the small employer.

(1) No more than the following age categories may be used in determining premium rates:

Under 30

30-39

40-49

50-54

55-59

60-64

65 and over

However, for the 65 and over age category, separate premium rates may be specified depending upon whether coverage under the health benefit plan will be primary or secondary to benefits provided by the federal Medicare program pursuant to Title XVIII of the federal Social Security Act.

(2) Small employer carriers shall base rates to small employers using no more than the following family size categories:

(A) Single.

(B) Married couple.

(C) One adult and child or children.

(D) Married couple and child or children.

(3) (A) In determining rates for small employers, a carrier that operates statewide shall use no more than nine geographic regions in the state, have no region smaller than an area in which the first three digits of all its ZIP Codes are in common within a county and shall divide no county into more than two regions. Carriers shall be deemed to be operating statewide if their coverage area includes 90 percent or more of the state's population. Geographic regions established pursuant to this section shall, as a group, cover the entire state, and the area encompassed in a geographic region shall be

separate and distinct from areas encompassed in other geographic regions. Geographic regions may be noncontiguous.

(B) In determining rates for small employers, a carrier that does not operate statewide shall use no more than the number of geographic regions in the state than is determined by the following formula: the population, as determined in the last federal census, of all counties which are included in their entirety in a carrier's service area divided by the total population of the state, as determined in the last federal census, multiplied by nine. The resulting number shall be rounded to the nearest whole integer. No region may be smaller than an area in which the first three digits of all its ZIP Codes are in common within a county and no county may be divided into more than two regions. The area encompassed in a geographic region shall be separate and distinct from areas encompassed in other geographic regions. Geographic regions may be noncontiguous. No carrier shall have less than one geographic area.

(w) "Small employer" means either of the following:

(1) Any person, proprietary or nonprofit firm, corporation, partnership, public agency, or association that is actively engaged in business or service that, on at least 50 percent of its working days during the preceding calendar quarter, employed at least three, but not more than 50, eligible employees, the majority of whom were employed within this state, that was not formed primarily for purposes of buying health insurance and in which a bona fide employer-employee relationship exists. However, for purposes of subdivisions (b) and (h) of Section 10705, the definition shall include employers with at least five eligible employees until July 1, 1994, four eligible employees until July 1, 1995, and three eligible employees thereafter. In determining the number of eligible employees, companies that are affiliated companies, and that are eligible to file a combined income tax return for purposes of state taxation shall be considered one employer. Subsequent to the issuance of a health benefit plan to a small employer pursuant to this chapter, and for the purpose of determining eligibility, the size of a small employer shall be determined annually. Except as otherwise specifically provided, provisions of this chapter that apply to a small employer shall continue to apply until the health benefit plan anniversary following the date the employer no longer meets the requirements of this definition. It includes any small employer as defined in this paragraph who purchases coverage through a guaranteed association, and any employer purchasing coverage for employees through a guaranteed association.

(2) Any guaranteed association, as defined in subdivision (y), that purchases health coverage for members of the association.

(x) "Standard employee risk rate" means the rate applicable to an eligible employee in a particular risk category in a small employer group.

(y) "Guaranteed association" means a nonprofit organization comprised of a group of individuals or employers who associate based

solely on participation in a specified profession or industry, accepting for membership any individual or employer meeting its membership criteria which (1) includes one or more small employers as defined in paragraph (1) of subdivision (w), (2) does not condition membership directly or indirectly on the health or claims history of any person, (3) uses membership dues solely for and in consideration of the membership and membership benefits, except that the amount of the dues shall not depend on whether the member applies for or purchases insurance offered by the association, (4) is organized and maintained in good faith for purposes unrelated to insurance, (5) has been in active existence on January 1, 1992, and for at least five years prior to that date, (6) has been offering health insurance to its members for at least five years prior to January 1, 1992, (7) has a constitution and bylaws, or other analogous governing documents that provide for election of the governing board of the association by its members, (8) offers any benefit plan design that is purchased to all individual members and employer members in this state, (9) includes any member choosing to enroll in the benefit plan design offered to the association provided that the member has agreed to make the required premium payments, and (10) covers at least 1,000 persons with the carrier with which it contracts. The requirement of 1,000 persons may be met if component chapters of a statewide association contracting separately with the same carrier cover at least 1,000 persons in the aggregate.

This subdivision applies regardless of whether a master policy by an admitted insurer is delivered directly to the association or a trust formed for or sponsored by an association to administer benefits for association members.

For purposes of this subdivision, an association formed by a merger of two or more associations after January 1, 1992, and otherwise meeting the criteria of this subdivision shall be deemed to have been in active existence on January 1, 1992, if its predecessor organizations had been in active existence on January 1, 1992, and for at least five years prior to that date and otherwise met the criteria of this subdivision.

(z) "Members of a guaranteed association" means any individual or employer meeting the association's membership criteria if that person is a member of the association and chooses to purchase health coverage through the association. At the association's discretion, it may also include employers and employees of association members, employees of employers of association members, association staff, retired members, retired employees of members, and surviving spouses and dependents of deceased members. However, if an association chooses to include such persons as members of the guaranteed association, the association must so elect in advance of purchasing coverage from a plan. Health plans may require an association to adhere to the membership composition it selects for up to 12 months.

SEC. 13. Section 10702.1 is added to the Insurance Code, to read:

10702.1. Any person or entity subject to the requirements of this chapter shall comply with the standards set forth in Section 14124.93 of the Welfare and Institutions Code, in the case of children who are eligible for medicaid services under Subchapter 19 (commencing with Section 1396) of Chapter 7 of Title 42 of the United States Code.

SEC. 14. Section 10719.1 is added to the Insurance Code, to read:

10719.1. Any person or entity subject to the requirements of this chapter shall comply with the standards set forth in Section 14124.93 of the Welfare and Institutions Code, in the case of children who are eligible for medicaid services under Subchapter 19 (commencing with Section 1396) of Chapter 7 of Title 42 of the United States Code.

SEC. 15. Section 10731.2 is added to the Insurance Code, to read:

10731.2. Any person or entity subject to the requirements of this chapter shall comply with the standards set forth in Section 14124.93 of the Welfare and Institutions Code, in the case of children who are eligible for medicaid services under Subchapter 19 (commencing with Section 1396) of Chapter 7 of Title 42 of the United States Code.

SEC. 16. Section 2803.4 is added to the Labor Code, to read:

2803.4. (a) Any employer providing health benefits under the Employee Retirement Income Security Act of 1974 (29 U.S.C. Sec. 1001, et seq.) shall not provide an exception for other coverage where the other coverage is entitlement to Medi-Cal benefits under Chapter 7 (commencing with Section 14000) or Chapter 8 (commencing with Section 14200) of Part 3 of Division 9 of the Welfare and Institutions Code, or medicaid benefits under Subchapter 19 (commencing with Section 1396) of Chapter 7 of Title 42 of the United States Code. Any employer providing health benefits under the Employee Retirement Income Security Act of 1974 shall not provide an exception for the Medi-Cal or medicaid benefits.

(b) Any employer providing health benefits under the Employee Retirement Income Security Act of 1974 shall not provide that the benefits payable are subject to reduction if the individual insured has entitlement to Medi-Cal or medicaid benefits.

(c) Any employer providing health benefits under the Employee Retirement Income Security Act of 1974 shall not provide an exception for enrollment for benefits because of an applicant's entitlement to Medi-Cal benefits under Chapter 7 (commencing with Section 14000) or Chapter 8 (commencing with Section 14200) of Part 3 of Division 9 of the Welfare and Institutions Code, or medicaid benefits under Subchapter 19 (commencing with Section 1396) of Chapter 7 of Title 42 of the United States Code.

(d) The State Department of Health Services shall consider health benefits available under the Employee Retirement Income Security Act of 1974 in determining legal liability of any third party for medical expenses incurred by a Medi-Cal or medicaid recipient under Section 14124.90 of the Welfare and Institutions Code and Subchapter 19 (commencing with Section 1396) of Chapter 7 of Title 42 of the United States Code.

SEC. 17. Section 2803.5 is added to the Labor Code, to read:

2803.5. Any employer who offers health care coverage, including employers and insurers, shall comply with the standards set forth in Section 14124.93 of the Welfare and Institutions Code.

SEC. 18. Section 14005.20 is added to the Welfare and Institutions Code, to read:

14005.20. (a) The State Department of Health Services shall adopt the option made available under Section 13603 of the federal Omnibus Budget Reconciliation Act of 1993 (Public Law 103-66) to pay allowable tuberculosis related services for persons infected with tuberculosis.

(b) The income and resources of these persons may not exceed the maximum amount for a disabled person as described in Section 1902(a)(10)(A)(i) of Title XIX of the federal Social Security Act (42 U.S.C. Sec. 1396a(a)(10)(A)(i)).

SEC. 19. Section 14006.7 of the Welfare and Institutions Code is amended to read:

14006.7. The department shall impose a lien upon the equity interest in the home or other property of an institutionalized beneficiary in order to secure the assets of the beneficiary for future recovery, provided all of the following conditions are met:

(a) The beneficiary has been admitted to a nursing facility.

(b) None of the following individuals are lawfully residing in the beneficiary's home:

(1) The beneficiary's spouse.

(2) The beneficiary's child who is under age 21 or blind or permanently and totally disabled.

(3) The beneficiary's sibling, if he or she has an equity interest in the home and if the sibling is residing in the individual's home and has resided in the individual's home for at least one year before the beneficiary was admitted to the nursing facility.

(4) Any individual who was continuously residing in the individual's home for a period of at least two years immediately before the date of the individual's admission to the nursing facility, and who establishes to the satisfaction of the department that he or she provided care to that individual that permitted the individual to reside in his or her home rather than in an institution.

(c) The department determines that the beneficiary cannot reasonably be expected to return home. There shall be a rebuttable presumption that the beneficiary cannot reasonably be expected to return home if any of the following conditions are met:

(1) The beneficiary or a responsible person declares there is no intent to return home.

(2) The beneficiary has been continuously authorized to receive institutional care or has been institutionalized for six months or longer with no discharge plan.

(d) (1) The beneficiary has been given 30 days' notice of the department's intent to impose a lien and has an opportunity for hearing under the state hearing procedures. The notice shall explain

the proposed lien and its effect upon the beneficiary's ownership interest.

(2) The lien shall be recorded in the office of the county recorder in which the real property is located and shall contain the name of the record owner of the real property and a legal description of the property. When recorded, the lien shall have the force, effect, and priority of a judgment lien.

(3) If and when a beneficiary returns home, the lien shall dissolve.

SEC. 20. Section 14009.5 of the Welfare and Institutions Code is amended to read:

14009.5. (a) Notwithstanding any other provision of this chapter, the department shall claim against the estate of the decedent, or against any recipient of the property of that decedent by distribution or survival an amount equal to the payments for the health care services received or the value of the property received by any recipient from the decedent by distribution or survival, whichever is less.

(b) The department may not claim in any of the following circumstances:

(1) The decedent was under 55 when services were received, except in the case of an individual who had been an inpatient in a nursing facility.

(2) Where there is any of the following:

(A) A surviving spouse during his or her lifetime. However, upon the death of a surviving spouse, the department shall make a claim against the estate of the surviving spouse, or against any recipient of property from the surviving spouse obtained by distribution or survival, for either the amount paid for the medical assistance given to the decedent or the value of any of the decedent's property received by the surviving spouse through distribution or survival, whichever is less. Any statute of limitations that purports to limit the ability to recover for medical assistance granted under this chapter shall not apply to any claim made for reimbursement.

(B) A surviving child who is under age 21.

(C) A surviving child who is blind or permanently and totally disabled, within the meaning of Section 1614 of the federal Social Security Act (42 U.S.C.A. Sec. 1382c).

(3) Any exemption described in paragraph (2) that restricts the department from filing a claim against a decedent's property shall apply only to the proportionate share of the decedent's estate or property that passes to those recipients, by survival or distribution, who qualify for an exemption under paragraph (2).

(c) The department shall place a lien against the decedent's interest in the real property of a surviving spouse in the amount of the department's entitlement pursuant to paragraph (2) of subdivision (b). The lien shall become due and payable upon the death of the surviving spouse or upon the sale, transfer, or exchange of the real property.

(d) (1) The department shall waive its claim, in whole or in part,

if it determines that enforcement of the claim would result in substantial hardship to other dependents, heirs, or survivors of the individual against whose estate the claim exists.

(2) The department shall notify individuals of the waiver provision and the opportunity for a hearing to establish that a waiver should be granted.

(e) The following definitions shall govern the construction of this section:

(1) "Decedent" means a beneficiary who has received health care under this chapter or Chapter 8 (commencing with Section 14200) and who has died leaving property to others either through distribution or survival.

(2) "Dependents" includes, but is not limited to, immediate family or blood relatives of the decedent.

SEC. 21. Section 14015 of the Welfare and Institutions Code is amended to read:

14015. (a) The providing of health care under this chapter shall not impose any limitation or restriction upon the person's right to sell, exchange or change the form of property holdings nor shall the care provided constitute any encumbrance on the holdings. However, the transfer or gift of assets, including income and resources, for less than fair market value shall, to the extent and under the circumstances set forth in Title XIX of the federal Social Security Act (42 U.S.C. Sec. 1396 et seq.) result in a period of ineligibility for aid.

(b) Any item of durable medical equipment which is purchased for a recipient pursuant to this chapter exclusively with Medi-Cal program funds shall be returned to the department when the department determines that the item is no longer medically necessary for the recipient. Items of durable medical equipment shall include, but are not limited to, wheelchairs and special hospital beds.

SEC. 22. Section 14087.46 is added to the Welfare and Institutions Code, to read:

14087.46. (a) The department shall implement a dental managed care program for Medi-Cal beneficiaries to achieve major cost savings, while ensuring access and quality of care, pursuant to this section.

(b) The department shall issue a request for proposals and award contracts on a competitive basis to one or more dental health care service contractors licensed pursuant to the Knox-Keene Health Care Service Act of 1975 (Chapter 2.2 (commencing with Section 1340) of Division 2 of the Health and Safety Code) in each county or region that the department determines to be feasible. The department may contract with county organized health systems.

(c) To ensure access and continuity of care, the department shall award contracts only to plans that agree to negotiate in good faith and subcontract with any provider who agrees to provide dental services to Medi-Cal beneficiaries at a reimbursement rate

comparable to that paid by the plan to other participating providers. Plans shall contract whenever feasible with traditional and safety net providers of dental services to Medi-Cal beneficiaries. In evaluating the plans, the department shall assign favorable weighting to contractors that include traditional and safety net providers.

(d) The department shall implement a process to inform all Medi-Cal beneficiaries of their choices of participating dentists and to allow a beneficiary to choose or change his or her participating dentist.

(e) The department shall make every effort to achieve operational contracts to place all Medi-Cal beneficiaries in dental managed care by October 1, 1995. The department may determine which counties or categories of Medi-Cal beneficiaries are to be included in the dental managed care program. If the department has achieved one or more operational managed care contracts in a county or region, fee-for-service dental services shall not be an option for selection by a beneficiary, except that the department may provide for fee-for-service dental care if needed to ensure adequate access in rural or underserved areas, or for unique populations.

(f) The department shall require all participating plans to provide, at a minimum, the full scope of dental benefits pursuant to state and federal law.

(g) In order to achieve maximum cost savings, the Legislature hereby determines that an expedited contract process for contracts under this section is necessary. Therefore, contracts under this section shall be exempt from the Public Contract Code.

(h) Medi-Cal beneficiaries shall be able to receive their dental care from federally qualified health centers and rural health clinics certified pursuant to Public Law 95-210 that provide dental care in their service area. At the time of informing the Medi-Cal beneficiary of his or her choices of participating dentists, the beneficiary shall be informed of this option. Federally qualified health centers and rural health clinics shall continue to be reimbursed for dental services through the medical payment system in accordance with federal regulations.

(i) The department shall monitor the implementation of dental managed care, and for each of the first three years of implementation, shall annually evaluate the program on a county-by-county basis in terms of access, quality of care, and cost savings. The evaluation shall be provided to the Legislature within 120 days of the close of each of the three fiscal years.

(j) The department shall seek all federal waivers necessary to allow for federal financial participation in the program implemented pursuant to this section. This article shall not be implemented unless and until the director has executed a declaration, to be retained by the director, that approval of all necessary federal waivers have been obtained by the department.

SEC. 23. Section 14105.335 is added to the Welfare and

Institutions Code, to read:

14105.335. (a) Effective July 1, 1994, all pharmaceutical manufacturers shall provide the department a supplemental 10 percent rebate in addition to rebates pursuant to other provisions of state or federal law, less any state supplemental rebate currently provided under separate state agreements, for each prescription drug reimbursed through the Medi-Cal program. This supplemental rebate shall be calculated as 10 percent of the manufacturer's average manufacturer price, as that term is defined in the manufacturer's contract with the Health Care Financing Administration pursuant to Section 1927 of the Social Security Act (42 U.S.C. 1396r-8). Products that have been added to the Medi-Cal list of contract drugs pursuant to Section 14105.43 or 14133.2 do not require a supplemental rebate.

(b) The drug products of any manufacturer that fails to execute a contract or contract amendment for the rebates required by subdivision (a), by September 30, 1994, shall be available to Medi-Cal beneficiaries only through prior authorization.

(c) In carrying out this section, the department may contract either directly, or through the fiscal intermediary, for pharmacy consultant staff necessary to accomplish the treatment authorization request reviews. This authority shall extend until July 1, 1996.

(d) For any drug placed on prior authorization pursuant to subdivision (b), the procedural and notification requirements described in subdivision (i) of Section 14105.33, Sections 14105.37 and 14105.38, subdivisions (a), (c), (e), and (f) of Section 14105.39, and Sections 14105.4 and 14105.405 are waived for the purposes of this section.

(e) This section shall remain in effect only until July 1, 1996, and as of that date, is repealed, unless a later enacted statute that is enacted on or before July 1, 1996, deletes or extends that date.

SEC. 23.5. Section 14105.336 is added to the Welfare and Institutions Code, to read:

14105.336. The department shall reduce reimbursements to pharmacists by fifty cents (\$0.50) per prescription, effective January 1, 1995, for all prescription claims reimbursed through the Medi-Cal program.

SEC. 24. Section 14124.93 is added to the Welfare and Institutions Code, to read:

14124.93. (a) The district attorney or party with custody of a child shall act to enforce an outstanding support order that requires that health care coverage be provided to the child.

(b) To the extent required by federal law, any support obligor, and his or her employer and health care insurer, shall comply with the standards set forth in this section.

(c) An employer or insurer shall not deny enrollment of a child under the health coverage of a child's parent on any of the following grounds:

- (1) The child was born out of wedlock.

(2) The child is not claimed as a dependent on the parent's federal income tax return.

(3) The child does not reside with the parent or in the insurer's service area.

(d) In any case in which a parent is required by a court or administrative order to provide health coverage for a child and the parent is eligible for family health coverage through an insurer, the insurer shall do all of the following, as applicable:

(1) Permit the parent to enroll under health coverage any child who is otherwise eligible to enroll for that coverage, without regard to any enrollment period restrictions.

(2) If the parent is enrolled in health coverage but fails to apply to obtain coverage of the child, enroll that child under the health coverage upon presentation of the court order by the district attorney or upon presentation of the court order or request by the custodial party or the Medi-Cal program.

(3) The insurer shall not disenroll, or eliminate coverage of, a child to which this subdivision applies, unless the insurer is provided with satisfactory evidence that either of the following apply:

(A) The court order or administrative order is no longer in effect.

(B) The child is or will be enrolled in comparable health coverage through another insurer that will take effect not later than the effective date of the child's disenrollment.

(e) If a parent is required by a court or administrative order to provide health coverage and the parent is eligible for health coverage through an employer doing business in the state, the employer shall do all of the following:

(1) Permit the parent to enroll under health coverage any child who is otherwise eligible for coverage, without regard to any enrollment period restrictions.

(2) If the parent is enrolled in health coverage but fails to apply to obtain coverage of the child, enroll the child under the health coverage upon presentation of a court order by the district attorney or upon presentation of a court order or request by the custodial party or the Medi-Cal program.

(3) The employer shall not disenroll or eliminate coverage of any child to which this section applies unless the employer is provided satisfactory written evidence, where applicable, that any of the following apply:

(A) The court order or administrative order is no longer in effect.

(B) The child will be enrolled in comparable health coverage through another insurer that will take effect not later than the effective date of the child's disenrollment.

(C) The employer has eliminated family health coverage for all of the employer's employees.

(4) Withhold from the employee's compensation the employee's share, if any, of the premiums for health coverage, not to exceed the maximum amount permitted to be withheld under Section 303(b) of the federal Consumer Credit Protection Act (15 U.S.C. Sec.

1673(b)), and pay that share of the premiums to the insurer, except as otherwise provided by federal statute or regulation for appropriate circumstances under which an employer may withhold less than the employee's share of the premiums.

(f) The rights of a Medi-Cal beneficiary to health care benefits from an insurer have been assigned to the department, an insurer shall not impose any requirement on the department that is different from any requirement applicable to an agent or any other assignee of the covered beneficiary.

(g) An insurer shall, in any case in which a child has health coverage through the insurer of a noncustodial parent, do all of the following:

(1) Provide any information to the custodial party that may be necessary for the child to obtain benefits through the health coverage.

(2) Permit the custodial party, or provider, with the custodial party's approval, to submit claims for covered services without the approval of the noncustodial parent.

(3) Make payment on claims submitted in accordance with paragraph (2) directly to the custodial party, the provider, or the department.

(h) The department, in the administration of the Medi-Cal program, may garnish the wages, salary, or other employment income of, and withhold amounts from state tax refunds from, any person to whom both of the following apply:

(1) The person is required by a court or administrative order to provide coverage of the costs of health services to a child who is eligible for medical assistance under the Medi-Cal program.

(2) The person has received payment from a third party for the costs of the health services for the child, but he or she has not used the payments to reimburse, as appropriate, either the custodial party or the provider of the health services, to the extent necessary to reimburse the department for expenditures for those costs under the Medi-Cal program. All claims for current or past-due child support shall take priority over claims made by the department for the costs of Medi-Cal services.

(i) For purposes of this section, "insurer" includes every health care service plan, self-insured welfare benefit plan, including those regulated pursuant to the Employee Retirement Income Security Act of 1974 (29 U.S.C. Sec. 1001, et seq.), self-funded employer plan, disability insurer, nonprofit hospital service plan, labor union trust fund, employer, and any other similar plan, insurer, or entity offering a health coverage plan.

(j) For purposes of this section, "custodial party" or "party with custody of a child" includes, but is not limited to, a custodial parent, legal guardian, primary caretaker, or person with whom the child resides.

SEC. 25. Section 14132.44 of the Welfare and Institutions Code is amended to read:

14132.44. (a) Targeted case management (TCM), pursuant to Section 1915(g) of the Social Security Act as amended by Public Law 99-272 (42 U.S.C. Sec. 1396n(g)), shall be covered as a benefit if the TCM provider providing the TCM services does so pursuant to a contract with a participating local governmental agency under the Medi-Cal Administrative Claiming process pursuant to Section 14132.47. TCM services shall be, subject to utilization controls for persons in programs determined appropriate by the director. Nothing in this section or in Section 14132.47 shall be construed to require any local governmental agency to implement TCM.

(b) A TCM service provider under contract to a participating local governmental agency may provide TCM services to one or all of the following groups of Medi-Cal beneficiaries:

- (1) High-risk children, youth, and families.
- (2) Pregnant, postpartum, and parenting women.
- (3) Persons with human immunodeficiency virus infection.
- (4) Homeless persons.
- (5) Persons abusing alcohol or drugs, or both.
- (6) Persons known to use multiple service providers.
- (7) Persons with catastrophic or chronic illnesses.
- (8) Elderly persons at risk of institutionalization.
- (9) Adults at risk of abuse or neglect.

(c) A participating local governmental agency that elects to contract with a TCM provider for the provision of TCM services to the groups specified in subdivision (b) shall, for each fiscal year, for the purpose of obtaining federal medicaid matching funds, certify to the department all of the following:

- (1) The availability and expenditure of 100 percent of the nonfederal share for the provision of TCM services.
- (2) The amount of funds expended on allowable TCM services.
- (3) Its expenditures represent costs that are eligible for federal financial participation.

The department shall deny any claim if it determines that any certification required by this subdivision is not adequately supported for purposes of federal financial participation.

(d) Only a participating local governmental agency may submit TCM service claims to the department for TCM services performed by a TCM provider pursuant to a contract with the participating local governmental agency. The department shall deny any claims for TCM services performed by a TCM provider unless the TCM provider only performs those services pursuant to its contract with that participating local governmental agency and the claims are submitted by that agency.

(e) Upon federal approval for federal financial participation, the department, in consultation with counties, and consistent with federal regulations including the State Medicaid Manual of the Department of Health and Human Services, Health Care Financing Administration, shall define TCM services, shall establish the standards under which TCM services qualify as a Medi-Cal

reimbursable service, shall develop an appropriate rate of reimbursement, and shall develop a claiming system to certify local matching expenditures.

(f) (1) Notwithstanding any other provision of this section or of Section 14132.47, the state shall be held harmless, in accordance with paragraphs (2) and (3), from any final federal audit disallowance and interest resulting from payments made by the federal medicaid program to a participating local governmental agency for TCM services provided by a TCM provider pursuant to this section.

(2) Each participating local governmental agency that has received payments under this section shall be liable for the same proportion of the disallowance and interest as the participating local governmental agency's paid claims pursuant to this section less its contribution pursuant to subdivision (m) of Section 14132.47, both in the fiscal year to which the disallowance pertains, bears to the particular participating local governmental agency's total claims pursuant to this section and Section 14132.47 in that same fiscal year.

(3) Each participating local governmental agency that has received payments under this section shall be liable for any final federal audit disallowance and interest only with respect to the payments made to that participating local governmental agency. In the event that the department is required or obligated to reimburse the federal medicaid program for a final federal audit disallowance and interest resulting from payments made to a participating local governmental agency for TCM services provided by a TCM provider pursuant to this section, the department shall recoup from that particular participating local governmental agency the same proportion of the disallowance and interest as the participating local governmental agency's paid claims pursuant to this section less its contribution pursuant to subdivision (m) of Section 14132.47, both in the fiscal year to which the disallowance pertains, bears to the particular participating local governmental agency's total claims pursuant to this section and Section 14132.47 in that same fiscal year.

(4) Notwithstanding paragraphs (2) and (3), to the extent that a final federal audit disallowance and interest results from a claim or claims for which the participating local governmental agency has received reimbursement for TCM services performed by a nongovernmental entity under contract with, and on behalf of, the participating local governmental agency, the department shall be held harmless by that particular participating local governmental agency for 100 percent of the amount of any such final federal audit disallowance and interest.

(g) The use of local matching funds allowed by this section shall not create, lead to, or expand the health care funding obligations or service obligations for current or future years for each participating local governmental agency, except as required by this section or as may be required by federal law.

(h) TCM services are services which assist clients to gain access to needed medical, social, educational, and other services. Activities

conducted by TCM providers may include, but are not limited to, all of the following:

- (1) Assessment of client needs and personal support systems.
- (2) Development of comprehensive individualized service plans.
- (3) Coordination of services required to implement the individualized service plan.
- (4) Referral services.
- (5) Client monitoring to assess the efficacy of the plan.
- (6) Advocacy for clients with service providers.
- (7) Reevaluation and adaptation of the individualized service plan as necessary.

(i) Each participating local governmental agency may only submit to the department TCM service claims performed by a TCM service provider if that provider is under contract with a participating local governmental agency that is claiming through the Medi-Cal Administrative Claiming process pursuant to Section 14132.47 and the TCM provider has an ongoing and continuous relationship with the Medi-Cal beneficiary receiving the TCM service in a manner consistent with continuity of care, pursuant to standards established by the Director of Health Services.

(j) For the purposes of this section "participating local governmental agency" means a county or chartered city under contract with the department pursuant to Section 14132.47.

(k) For the purposes of this section a "TCM provider" means an entity or person that is not affiliated with or employed by a participating local governmental agency, but provides TCM services on behalf of a local governmental agency in accordance with a contract.

(l) The requirements of subdivision (m) of Section 14132.47 shall not apply to claims for TCM services provided by a local educational agency under a contract with a participating local governmental agency.

(m) Amendments to this section enacted during the 1994 calendar year shall be applicable to services rendered, and to moneys paid to participating local governmental agencies for those services, in the 1994-95 fiscal year and thereafter.

SEC. 26. Section 14132.47 is added to the Welfare and Institutions Code, to read:

14132.47. (a) (1) It is the intent of the Legislature that federal financial participation in both state and local programs be maximized. It is further the intent of the Legislature, in enacting this act, to provide for local governmental participation in the provision of targeted case management services pursuant to Section 1396n(g) of Title 42 of the United States Code and in Medi-Cal Administrative Claiming, with maximum possible federal financial participation.

(2) It is further the intent of the Legislature to provide local governmental agencies the choice of participating in either or both of the Target Case Management (TCM) and Medi-Cal Administrative Claiming process programs at their option, subject to

the requirements of this section and Section 14132.44.

(b) The department is authorized to contract with each participating local governmental agency for the provision of administrative functions necessary for the proper and efficient administration of the Medi-Cal program, pursuant to Section 1396b(a) of Title 42 of the United States Code, Section 19303a of the federal Social Security Act, and this activity shall be known as the Medi-Cal Administrative Claiming process.

(c) (1) As a condition for participation in the Medi-Cal Administrative Claiming process, each participating local governmental agency shall, for the purpose of obtaining federal medicaid matching funds, execute a contract with the department and shall certify to the department the amount of funds expended on allowable administrative functions.

(2) The department shall deny the claim if it determines that the certification is not adequately supported for purposes of federal financial participation.

(d) Each Medi-Cal Administrative Claiming process contract shall include a requirement that each participating local governmental agency submit a claiming plan in a manner prescribed by the department that does all of the following:

(1) Describes the nature of each local program claiming administrative costs pursuant to the contract.

(2) Describes each administrative function performed pursuant to the contract.

(3) Identifies each employee job category and number of employees directly responsible for the performance of any administrative function.

(4) Identifies the participating local governmental agency or political subdivision thereof that employs or controls the employee job category responsible for the performance of any administrative function.

(5) Identifies, by local program, each nongovernmental entity and the choice of claiming method for that nongovernmental entity made pursuant to subdivision (i).

(e) The department shall require that each participating local governmental agency certify to the department both of the following:

(1) The availability and expenditure of 100 percent of the nonfederal share of the provision of Medi-Cal Administrative Claiming process functions.

(2) In each fiscal year, that its expenditures represent costs that are eligible for federal financial participation for that fiscal year. The department shall deny the claim if it determines that the certification is not adequately supported for purposes of federal financial participation.

(f) (1) Notwithstanding any other provision of this section, the state shall be held harmless, in accordance with paragraphs (2) and (3), from any final federal audit disallowance and interest resulting

from payments made to a participating local governmental agency pursuant to this section.

(2) Each participating local governmental agency that has received payments under this section shall be liable for the same proportion of the disallowance and interest as the participating local governmental agency's paid claims pursuant to this section and Section 14132.44 less its contribution pursuant to subdivision (m), both in the fiscal year to which the disallowance pertains, bears to the particular participating local governmental agency's total claims pursuant to this section and Section 14132.44 in that same fiscal year.

(3) Each participating local governmental agency that has received payments under this section shall be liable for any final federal audit disallowance and interest only with respect to the payments made to that participating local governmental agency. In the event that the department is required or obligated to reimburse the federal medicaid program for a final federal audit disallowance and interest resulting from payments made to a participating local governmental agency for Medi-Cal Administrative Claiming process functions pursuant to this section, the department shall recoup from that particular participating local governmental agency the same proportion of the disallowance and interest as the participating local governmental agency's paid claims pursuant to this section and Section 14132.44 less its contribution pursuant to subdivision (m), both in the fiscal year to which the disallowance pertains, bears to the particular participating local governmental agency's total claims pursuant to this section and Section 14132.44 in that same fiscal year.

(4) Notwithstanding paragraphs (2) and (3), to the extent that a final federal audit disallowance and interest results from a claim or claims for which the participating local governmental agency has received reimbursement for Medi-Cal Administrative Claiming process functions performed by a nongovernmental entity under contract with, and on behalf of, the participating local governmental agency, the department shall be held harmless by that particular participating local governmental agency for 100 percent of the amount of any such final federal audit disallowance and interest.

(g) The use of local matching funds required by this section shall not create, lead to, or expand the health care funding obligations or service obligations for current or future years for any participating local governmental agency, except as required by this section or as may be required by federal law.

(h) The department shall deny any claim from a participating local governmental agency if the department determines that the claim is not adequately supported in accordance with criteria established pursuant to this subdivision before it forwards such a claim for reimbursement to the federal medicaid program. In consultation with local government agencies, the department shall establish criteria, on or before October 1, 1994, for the submission and payment of claims by each participating local governmental agency for administrative functions. The criteria shall include, but not be

limited to, all of the following standards:

(1) Methodology for determining and calculating personnel time studies submitted by each participating local governmental agency in support of its claims.

(2) Identification of each local program for which Medi-Cal administrative costs are being claimed by that participating local governmental agency. This identification shall be consistent with the participating local governmental agency's claiming plan.

(3) Identification of the local governmental agency or the political subdivision thereof submitting the claim. This identification shall be consistent with the participating local governmental agency's claiming plan.

(4) Methodology for identifying the population served by the performance of the administrative functions and the percentage of that population which consists of Medi-Cal beneficiaries.

(5) Methodology for identifying the costs of the administrative functions performed by each participating local governmental agency.

(6) A specific identification of the administrative functions, approved by the department, that are performed and being claimed by each participating local governmental agency pursuant to an executed contract, as described in subdivision (a).

(7) Methodology, applicable to any claim submitted by a participating local governmental agency based in whole or in part on health care services and administrative functions performed by the same employee of that agency, to demonstrate that no activity properly classified as a service or a part of a service is redesignated as an administrative function, and that the services and functions claimed are not duplicative.

(i) Administrative functions shall be necessary for the proper and efficient administration of the state's medicaid plan, and the department may, after consultation with the participating local governmental agencies, include, without limitation, the following:

(1) Functions or activities, under Medi-Cal, such as methods to inform or offer opportunity or assistance to recipients or potential recipients to enter into care through the Medi-Cal system.

(2) Monitoring the delivery of TCM services by TCM providers under contract with that participating local governmental agency.

(3) Administrative case management functions performed by the employees of a participating local governmental agency that may include, and are not limited to, the following:

(A) Informing or assisting recipients or potential recipients in entering into care; including prescreening, facilitating a Medi-Cal application, and enrollment.

(B) Case finding, assessment, case planning, and case coordination.

(C) Anticipatory guidance for complex health needs and medical consultation.

(D) Recipient assistance to access services.

(E) Provider relations, resource development, and quality management.

(F) Interagency coordination, program planning and development.

(G) Staff training, incidental nonmedical activities, and general administration.

(j) Claims submitted by participating local governmental agencies shall be reviewed by the department within 30 days of receipt. Any claim that cannot be approved shall promptly be returned to the participating local governmental agency, with a written explanation of the basis for denial if the claim is denied. All other claims shall be processed either for payment or for inclusion in the state's federal medicaid claim within 14 days of the claim review.

(k) If the department denies any claim submitted under this section or Section 14132.44, the affected participating local governmental agency may, within 30 days after receipt of written notice of the denial, request that the department reconsider its action. The participating local governmental agency may request a meeting with the director or his or her designee within 30 days to present its concerns to the department after the request is filed. If the director or his or her designee cannot meet, the department shall respond in writing indicating the specific reasons for which the claim is out of compliance to the participating local governmental agency in response to its appeal. Thereafter, the decision of the director shall be final.

(l) If a participating local governmental agency chooses to provide case management through an entity or person that is not administered by, affiliated with, or employed by, a participating local governmental agency, it may, subject to applicable requirements of federal law, pursuant to a contract with the nongovernmental entity, claim costs by designating the entity in advance either as a TCM provider under Section 14132.44, or as performing administrative case management activities under this section. After the election is made as to each nongovernmental entity, the choice shall be reflected in the contract between the participating local governmental agency and the nongovernmental entity and be included in the participating local governmental agency's claiming plan pursuant to subdivision (c).

(m) (1) Each participating local governmental agency shall reimburse the department from its nonfederal, general fund revenues in an amount necessary to yield a combined total reimbursement of two hundred million dollars (\$200,000,000) for the 1994-95 fiscal year and subsequent fiscal years for deposit in the Health Care Deposit Fund.

(2) In accordance with subdivision (u), on or before August 1, 1994, and thereafter before July 1 of each year, the participating local governmental agencies shall determine the contribution of each participating local governmental agency to the total reimbursement

amount set forth in paragraph (1).

(3) If the department is not advised of the final determination of those contribution amounts by the date specified in paragraph (2), the department shall specify, by October 1, 1994, and by September 1 of each year thereafter, the contribution amount for each participating local governmental agency. Upon notification by the department, each participating local governmental agency shall remit to the department the amounts required by this subdivision on a quarterly basis beginning within 30 days after the participating local governmental agency's receipt of quarterly payments for Medi-Cal Administrative Claiming process services.

(4) Moneys received by the department pursuant to this subdivision are hereby continuously appropriated to the department for support of the Medi-Cal program, and the funds shall be administered in accordance with procedures prescribed by the Department of Finance. If not paid as provided in this section, the department may offset payments due to each participating local governmental agency from the state, not related to payments required to be made pursuant to this section and Section 14132.44, in order to recoup these funds for the Health Care Deposit Fund.

(n) As a condition of participation in the Medi-Cal Administrative Claiming process and in recognition of revenue generated to each participating local governmental agency in the Medi-Cal Administrative Claiming process, each participating local governmental agency shall pay an annual participation fee through a mechanism agreed to by the state and local governmental agencies, or, if no agreement is reached by August 1 of each year, directly to the state. The participation fee shall be used to cover the cost of administering the Medi-Cal Administrative Claiming process, including, but not limited to, claims processing, technical assistance, and monitoring. The amount of the participation fee shall be based upon the anticipated salaries, benefits, and operating expenses, to administer the Medi-Cal Administrative Claiming process and other costs related to that process.

(o) For the purposes of this section "participating local governmental agency" means a county or chartered city under contract with the department pursuant to subdivision (a).

(p) For the purposes of this section, a "TCM provider" means an entity or person that is not administered by, affiliated with, or employed by a participating local governmental agency, but provides TCM services on behalf of a local governmental agency in accordance with a contract as required under Section 14132.44.

(q) The requirements of subdivision (m) shall not apply to claims for administrative functions, pursuant to the Medi-Cal Administrative Claiming process, performed by a local educational agency and by public health programs administered by the state.

(r) A participating local governmental agency may charge an administrative fee to any entity claiming Medi-Cal Administrative Claiming through that agency. The fee for local education agencies

shall not exceed the percentage established for that county pursuant to subdivision (m).

(s) The department, subject to federal law, shall continue to administer the Medi-Cal Administrative Claiming process according to current practices and procedures established by the department, in consultation with participating local government agencies, until such time as the criteria established pursuant to subdivision (m) are in effect.

(t) The department shall provide technical assistance to all local governmental agencies in order to maximize federal financial participation in the TCM and Medi-Cal Administrative Claiming process programs.

(u) This section shall be applicable to Medi-Cal Administrative Claiming process activities performed, and to moneys paid to participating local governmental agencies for those activities, in the 1994-95 fiscal year and thereafter.

SEC. 27. Section 14132.48 is added to the Welfare and Institutions Code, to read:

14132.48. Targeted case management services to which Sections 14132.44 and 14132.47 does not apply, and as specified in Section 1915 (g) of the federal Social Security Act, as amended by Public Law 99-272 (42 U.S.C. Section 1396n(g)), shall be covered as a benefit under this chapter, subject to utilization controls, for the following populations:

(a) Persons served by regional centers administered by the State Department of Developmental Services.

(b) Persons served in other programs administered by the State Department of Developmental Services.

(c) Persons receiving services pursuant to Section 14021.3.

(d) Persons in programs determined appropriate by the director.

SEC. 28. Section 14133.22 of the Welfare and Institutions Code is amended to read:

14133.22. (a) Prescribed drugs shall be limited to no more than six per month, unless prior authorization is obtained.

(b) The limit in subdivision (a) shall not apply to patients receiving care in a nursing facility.

(c) The limit in subdivision (a) shall not apply to drugs for family planning.

(d) The department may issue Medi-Cal cards that contain labels for prescribed drugs to implement this section.

(e) In carrying out this section, the department may contract either directly, or through the fiscal intermediary, for pharmacy consultant staff necessary to accomplish the treatment authorization request reviews. This authority shall extend for a maximum of 36 months from the date of the initial contract.

SEC. 29. Section 14148.75 is added to the Welfare and Institutions Code, to read:

14148.75. Commencing with the first day of the second month following the effective date of this section, the department shall

adopt the federal medicaid option to waive the use of an asset test for determining eligibility of pregnant women and infants for benefits under this chapter, as provided in Section 4101 of the federal Omnibus Budget Reconciliation Act of 1987 (Public Law 100-203).

SEC. 30. Section 14163 of the Welfare and Institutions Code is amended to read:

14163. (a) For purposes of this section, the following definitions shall apply:

(1) "Public entity" means a county, a city, a city and county, the University of California, a local hospital district, a local health authority, or any other political subdivision of the state.

(2) "Hospital" means a health facility that is licensed pursuant to Chapter 2 (commencing with Section 1250) of Division 2 of the Health and Safety Code to provide acute inpatient hospital services, and includes all components of the facility.

(3) "Disproportionate share hospital" means a hospital providing acute inpatient services to Medi-Cal beneficiaries that meets the criteria for disproportionate share status relating to acute inpatient services set forth in Section 14105.98.

(4) "Disproportionate share list" means the annual list of disproportionate share hospitals for acute inpatient services issued by the department pursuant to Section 14105.98.

(5) "Fund" means the Medi-Cal Inpatient Payment Adjustment Fund.

(6) "Eligible hospital" means, for a particular state fiscal year, a hospital on the disproportionate share list that is eligible to receive payment adjustment amounts under Section 14105.98 with respect to that state fiscal year.

(7) "Transfer year" means the particular state fiscal year during which, or with respect to which, public entities are required by this section to make an intergovernmental transfer of funds to the Controller.

(8) "Transferor entity" means a public entity that, with respect to a particular transfer year, is required by this section to make an intergovernmental transfer of funds to the Controller.

(9) "Transfer amount" means an amount of intergovernmental transfer of funds that this section requires for a particular transferor entity with respect to a particular transfer year.

(10) "Intergovernmental transfer" means a transfer of funds from a public entity to the state, that is local government financial participation in Medi-Cal pursuant to the terms of this section.

(11) "Licensee" means an entity that has been issued a license to operate a hospital by the department.

(12) "Annualized Medi-Cal inpatient paid days" means the total number of Medi-Cal acute inpatient hospital days, regardless of dates of service, for which payment was made by or on behalf of the department to a hospital, under present or previous ownership, during the most recent calendar year ending prior to the beginning of a particular transfer year, including all Medi-Cal acute inpatient

covered days of care for hospitals that are paid on a different basis than per diem payments.

(13) "Medi-Cal acute inpatient hospital day" means any acute inpatient day of service attributable to patients who, for those days, were eligible for medical assistance under the California state plan, including any day of service that is reimbursed on a basis other than per diem payments.

(b) The Medi-Cal Inpatient Payment Adjustment Fund is hereby created in the State Treasury. Notwithstanding Section 13340 of the Government Code, the fund shall be continuously appropriated to, and under the administrative control of, the department for the purposes specified in subdivision (d). The fund shall consist of the following:

(1) Transfer amounts collected by the Controller under this section, whether submitted by transferor entities pursuant to subdivision (i) or obtained by offset pursuant to subdivision (j).

(2) Any other intergovernmental transfers deposited in the fund, as permitted by Section 14164.

(3) Any interest that accrues with respect to amounts in the fund.

(c) Moneys in the fund, which shall not consist of any state general funds, shall be used as the source for the nonfederal share of payments to hospitals pursuant to Section 14105.98. Moneys shall be allocated from the fund by the department and matched by federal funds in accordance with customary Medi-Cal accounting procedures, and used to make payments pursuant to Section 14105.98.

(d) Except as otherwise provided in Section 14105.98 or in any provision of law appropriating a specified sum of money to the department for administering this section and Section 14105.98, moneys in the fund shall be used only for the following:

(1) Payments to hospitals pursuant to Section 14105.98.

(2) Except for the amount transferred pursuant to paragraph (3), transfers to the Health Care Deposit Fund in the amount of two hundred thirty-nine million seven hundred fifty-seven thousand six hundred ninety dollars (\$239,757,690), for the 1994-95 fiscal year and for each fiscal year thereafter. Notwithstanding any other provision of law, the amount specified in this paragraph shall be in addition to any amounts transferred to the Health Care Deposit Fund arising from changes of any kind attributable to payment adjustment years prior to the 1993-94 payment adjustment year. These transfers from the fund shall be made in six equal monthly installments to the Medi-Cal local assistance appropriation item (Item 4260-101-001 of the annual Budget Act) in support of Medi-Cal expenditures. The first installment shall accrue in October of each transfer year, and all other installments shall accrue monthly thereafter from November through March.

(3) In the 1993-94 fiscal year, in addition to the amount transferred as specified in paragraph (2), fifteen million dollars (\$15,000,000) shall also be transferred to the Medi-Cal local assistance

appropriation item (Item 4260-101-001) of the Budget Act of 1993.

(e) For the 1991-92 state fiscal year, the department shall determine, no later than 70 days after the enactment of this section, the transferor entities for the 1991-92 transfer year. To make this determination, the department shall utilize the disproportionate share list for the 1991-92 fiscal year, which shall be issued by the department no later than 65 days after the enactment of this section, pursuant to paragraph (1) of subdivision (f) of Section 14105.98. The department shall identify each eligible hospital on the list for which a public entity is the licensee as of July 1, 1991. The public entity that is the licensee of each identified eligible hospital shall be a transferor entity for the 1991-92 transfer year.

(f) The department shall determine, no later than 70 days after the enactment of this section, the transfer amounts for the 1991-92 transfer year. The transfer amounts shall be determined as follows:

(1) The eligible hospitals for 1991-92 shall be identified. For each hospital, the applicable total per diem payment adjustment amount under Section 14105.98 for the 1991-92 transfer year shall be computed. This amount shall be multiplied by 80 percent of the eligible hospital's annualized Medi-Cal inpatient paid days as determined from all Medi-Cal paid claims records available through April 1, 1991. The products of these calculations for all eligible hospitals shall be added together to determine an aggregate sum for the 1991-92 transfer year.

(2) The eligible hospitals for 1991-92 involving transferor entities as licensees shall be identified. For each hospital, the applicable total per diem payment adjustment amount under Section 14105.98 for the 1991-92 transfer year shall be computed. This amount shall be multiplied by 80 percent of the eligible hospital's annualized Medi-Cal inpatient paid days as determined from all Medi-Cal paid claims records available through April 1, 1991. The products of these calculations for all eligible hospitals with transferor entities as licensees shall be added together to determine an aggregate sum for the 1991-92 transfer year.

(3) The aggregate sum determined under paragraph (1) shall be divided by the aggregate sum determined under paragraph (2), yielding a factor to be utilized in paragraph (4).

(4) The factor determined in paragraph (3) shall be multiplied by the amount determined for each hospital under paragraph (2). The product of this calculation for each hospital in paragraph (2) shall be divided by 1.771, yielding a transfer amount for the particular transferor entity for the transfer year, except as provided by paragraph (5).

(5) Only for the transfer year with respect to which the payment adjustment program set forth in Section 14105.98 first gains federal approval, a reduction in the transfer amount determined pursuant to paragraph (4) shall be applicable under the following circumstances:

(A) To determine any such reduction, the transfer amount determined pursuant to paragraph (4) shall first be multiplied by a

fraction, the numerator of which is the number of days of the transfer year for which federal approval is effective and the denominator of which is 365.

(B) If the product of the calculation under subparagraph (A) is 80 percent or more of the transfer amount determined under paragraph (4), no reduction of the transfer amount determined under paragraph (4) shall apply.

(C) If the product of the calculation under subparagraph (A) is less than 80 percent of the transfer amount determined under paragraph (4), a reduction shall apply to the transfer amount determined under paragraph (4). The reduction shall be that particular amount which is equal to the difference between (i) the transfer amount determined under paragraph (4) and (ii) the amount calculated under subparagraph (A) divided by 80 percent.

(D) Any reduction of a transfer amount applicable under subparagraph (C) shall be spread equally among the installments referred to in subdivision (i).

(g) For the 1991-92 transfer year, the department shall notify each transferor entity in writing of its applicable transfer amount or amounts no later than 70 days after the enactment of this section, which amount or amounts shall be subject to adjustment pursuant to subdivisions (f) and (i).

(h) For the 1992-93 transfer year and subsequent transfer years, transfer amounts shall be determined in the same procedural manner as set forth in subdivision (f), except:

(1) The department shall use all of the following:

(A) The disproportionate share list applicable to the particular transfer year to determine the eligible hospitals.

(B) The payment adjustment amounts calculated under Section 14105.98 for the particular transfer year. These amounts shall take into account any projected or actual increases or decreases in the size of the payment adjustment program as are required under Section 14105.98 for the particular year in question. Subject to the installment schedule in paragraph (5) of subdivision (i) regarding transfer amounts, the department may issue interim, revised, and supplemental transfer requests as necessary and appropriate to address changes in payment adjustment levels that occur under Section 14105.98. All transfer requests, or adjustments thereto, issued to transferor entities by the department shall meet the requirements set forth in subparagraph (E) of paragraph (5) of subdivision (i).

(C) Data regarding annualized Medi-Cal inpatient paid days for the most recent calendar year ending prior to the beginning of the particular transfer year, as determined from all Medi-Cal paid claims records available through April 1 preceding the particular transfer year.

(D) The status of public entities as licensees of eligible hospitals as of July 1 of the particular transfer year.

(E) The transfer amounts calculated by the department may be increased or decreased by a percentage amount consistent with the

Medi-Cal State Plan.

(2) For the 1993-94 transfer year and subsequent transfer years, transfer amounts shall be increased on a pro rata basis for each transferor entity for the particular transfer year in the amounts necessary to fund the nonfederal share of the total supplemental lump-sum payment adjustment amounts that arise under Section 14105.98. For purposes of this paragraph, the supplemental lump-sum payment adjustment amounts shall be deemed to arise for the particular transfer year as of the date specified in Section 14105.98. Transfer amounts to fund the nonfederal share of the payments shall be paid by the transferor entities for the particular transfer year within 20 days after the department notifies the transferor entity in writing of the additional transfer amount to be paid.

(3) The department shall prepare preliminary analyses and calculations regarding potential transfer amounts, and potential transferor entities shall be notified by the department of estimated transfer amounts as soon as reasonably feasible regarding any particular transfer year. Written notices of transfer amounts shall be issued by the department as soon as possible with respect to each transfer year. All state agencies shall take all necessary steps in order to supply applicable data to the department to accomplish these tasks. The Office of Statewide Health Planning and Development shall provide to the department quarterly access to the edited and unedited confidential patient discharge data files for all Medi-Cal eligible patients. The department shall maintain the confidentiality of that data to the same extent as is required of the Office of Statewide Health Planning and Development. In addition, OSHPD shall provide to the department, not later than March 1 of each year, the data specified by the department, as the data existed on the statewide data base file as of February 1 of each year, from all of the following:

(A) Hospital annual disclosure reports, filed with the Office of Statewide Health Planning and Development pursuant to Section 443.31 of the Health and Safety Code, for hospital fiscal years that ended during the calendar year ending 13 months prior to the applicable February 1.

(B) Annual reports of hospitals, filed with the Office of Statewide Health Planning and Development pursuant to Section 439.2 of the Health and Safety Code, for the calendar year ending 13 months prior to the applicable February 1.

(C) Hospital patient discharge data reports, filed with the Office of Statewide Health Planning and Development pursuant to subdivision (g) of Section 443.31 of the Health and Safety Code, for the calendar year ending 13 months prior to the applicable February 1.

(D) Any other materials on file with the Office of Statewide Health Planning and Development.

(4) For the 1993-94 transfer year and subsequent transfer years,

the divisor to be used for purposes of the calculation referred to in paragraph (4) of subdivision (f) shall be determined by the department. The divisor shall be calculated to ensure that the appropriate amount of transfers from transferor entities are received into the fund to satisfy the requirements of Section 14105.98 for the particular transfer year. For the 1993-94 transfer year, the divisor shall be 1.742.

(5) For the 1993-94 fiscal year, the transfer amount that would otherwise be required from the University of California shall be increased by fifteen million dollars (\$15,000,000).

(6) Notwithstanding any other provision of law, the total amount of transfers required from the transferor entities for any particular transfer year shall not exceed the sum of the following:

(A) The amount needed to fund the nonfederal share of all payment adjustment amounts applicable to the particular payment adjustment year as calculated under Section 14105.98. Included in the calculations for this purpose shall be any decreases in the program as a whole, and for individual hospitals, that arise due to the provisions of Section 1396r-4(f) of Title 42 of the United States Code.

(B) The amount needed to fund the transfers to the Health Care Deposit Fund, as referred to in paragraphs (2) and (3) of subdivision (d).

(7) Except as provided in subparagraph (A) of paragraph (2) of subdivision (j), any amounts in the fund that are not expended, or estimated to be required for expenditure, under Section 14105.98 with respect to a particular transfer year shall be returned on a pro rata basis to the transferor entities for the particular transfer year within 120 days after the department determines that the funds are not needed for an expenditure in connection with the particular transfer year.

(i) (1) For the 1991-92 transfer year, each transferor entity shall pay its transfer amount or amounts to the Controller, for deposit in the fund, in eight equal installments. Except as provided below, the first installment shall accrue on July 25, 1991, and all other installments shall accrue on the 5th day of each month thereafter from August through February.

(2) Notwithstanding paragraph (1), no installment shall be payable to the Controller until that date which is 20 days after the department notifies the transferor entity in writing that the payment adjustment program set forth in Section 14105.98 has first gained federal approval as part of the Medi-Cal program. For purposes of this paragraph, federal approval requires both (i) approval by appropriate federal agencies of an amendment to the Medi-Cal State Plan, as referred to in subdivision (o) of Section 14105.98, and (ii) confirmation by appropriate federal agencies regarding the availability of federal financial participation for the payment adjustment program set forth in Section 14105.98 at a level of at least 40 percent of the percentage of federal financial participation that is normally applicable for Medi-Cal expenditures for acute inpatient

hospital services.

(3) If any installment that would otherwise be payable under paragraph (1) is not paid because of the provisions of paragraph (2), then subparagraphs (A) and (B) shall be followed when federal approval is gained.

(A) All installments that were deferred based on the provisions of paragraph (2) shall be paid no later than 20 days after the department notifies the transferor entity in writing that federal approval has been gained, in an amount consistent with subparagraph (B).

(B) The installments paid pursuant to subparagraph (A) shall be paid in full, subject to an adjustment in amount pursuant to paragraph (5) of subdivision (f).

(4) All installments for the 1991-92 transfer year that arise in months after federal approval is gained shall be paid by the 5th day of the month or 20 days after the department notifies the transferor entity in writing that federal approval has been gained, whichever is later. These installments shall be subject to an adjustment in amount pursuant to paragraph (5) of subdivision (f).

(5) (A) Except as provided in subparagraphs (B) and (C), for the 1992-93 transfer year and subsequent transfer years, each transferor entity shall pay its transfer amount or amounts to the Controller, for deposit in the fund, in eight equal installments. The first installment shall be payable on July 10 of each transfer year. All other installments shall be payable on the 5th day of each month thereafter from August through February.

(B) For the 1994-95 transfer year, each transferor entity shall pay its transfer amount or amounts to the Controller, for deposit in the fund, in five equal installments. The first installment shall be payable on October 5, 1994. The next four installments shall be payable on the fifth day of each month thereafter from November through February.

(C) For the 1995-96 transfer year, each transferor entity shall pay its transfer amount or amounts to the Controller, for deposit in the fund, in five equal installments. The first installment shall be payable on October 5, 1995. The next four installments shall be payable on the fifth day of each month thereafter from November through February.

(D) Except as otherwise specifically provided, subparagraphs (A) to (C), inclusive, shall not apply to increases in transfer amounts described in paragraph (2) of subdivision (h) or to additional transfer amounts described in subdivision (o).

(E) All requests for transfer payments, or adjustments thereto, issued by the department shall be in writing and shall include (i) an explanation of the basis for the particular transfer request or transfer activity, (ii) a summary description of program funding status for the particular transfer year, and (iii) the general calculations used by the department in connection with the particular transfer request or transfer activity.

(6) A transferor entity may use any of the following funds for purposes of meeting its transfer obligations under this section:

(A) General funds of the transferor entity.

(B) Any other funds permitted by law to be used for these purposes, except that a transferor entity shall not submit to the Controller any federal funds unless those federal funds are authorized by federal law to be used to match other federal funds. In addition, no private donated funds from any health care provider, or from any person or organization affiliated with such a health care provider, shall be channeled through a transferor entity or any other public entity to the fund. The transferor entity shall be responsible for determining that funds transferred meet the requirements of this subparagraph.

(j) (1) If a transferor entity does not submit any transfer amount within the time period specified in this section, the Controller shall offset immediately the amount owed against any funds which otherwise would be payable by the state to the transferor entity. The Controller, however, shall not impose an offset against any particular funds payable to the transferor entity where the offset would violate state or federal law.

(2) Where a withhold or a recoupment occurs pursuant to the provisions of paragraph (2) of subdivision (r) of Section 14105.98, the nonfederal portion of the amount in question shall remain in the fund, or shall be redeposited in the fund by the department, as applicable. The department shall then proceed as follows:

(A) If the withhold or recoupment was imposed with respect to a hospital whose licensee was a transferor entity for the particular state fiscal year to which the withhold or recoupment related, the nonfederal portion of the amount withheld or recouped shall serve as a credit for the particular transferor entity against an equal amount of transfer obligations under this section, to be applied whenever the transfer obligations next arise. Should no such transfer obligation arise within 180 days, the department shall return the funds in question to the particular transferor entity within 30 days thereafter.

(B) For other situations, the withheld or recouped nonfederal portion shall be subject to paragraph (7) of subdivision (h).

(k) All amounts received by the Controller pursuant to subdivision (i), paragraph (2) of subdivision (h), or subdivision (o), or offset by the Controller pursuant to subdivision (j), shall immediately be deposited in the fund.

(l) For purposes of this section, the disproportionate share list utilized by the department for a particular transfer year shall be identical to the disproportionate share list utilized by the department for the same state fiscal year for purposes of Section 14105.98. Nothing on a disproportionate share list, once issued by the department, shall be modified for any reason other than mathematical or typographical errors or omissions on the part of the department or the Office of Statewide Health Planning and

Development in preparation of the list.

(m) Neither the intergovernmental transfers required by this section, nor any elective transfer made pursuant to Section 14164, shall create, lead to, or expand the health care funding or service obligations for current or future years for any transferor entity, except as required of the state by this section or as may be required by federal law, in which case the state shall be held harmless by the transferor entities on a pro rata basis.

(n) No amount submitted to the Controller pursuant to subdivision (i), paragraph (2) of subdivision (h), or subdivision (o), or offset by the Controller pursuant to subdivision (j), shall be claimed or recognized as an allowable element of cost in Medi-Cal cost reports submitted to the department.

(o) Whenever additional transfer amounts are required to fund the nonfederal share of payment adjustment amounts under Section 14105.98 that are distributed after the close of the particular payment adjustment year to which the payment adjustment amounts apply, the additional transfer amounts shall be paid by the parties who were the transferor entities for the particular transfer year that was concurrent with the particular payment adjustment year. The additional transfer amounts shall be calculated under the formula that was in effect during the particular transfer year. For transfer years prior to the 1993-94 transfer year, the percentage of the additional transfer amounts available for transfer to the Health Care Deposit Fund under subdivision (d) shall be the percentage that was in effect during the particular transfer year. These additional transfer amounts shall be paid by transferor entities within 20 days after the department notifies the transferor entity in writing of the additional transfer amount to be paid.

(p) (1) Ten million dollars (\$10,000,000) of the amount transferred from the Medi-Cal Inpatient Payment Adjustment Fund to the Health Care Deposit Fund due to amounts transferred attributable to years prior to the 1993-94 fiscal year is hereby appropriated without regard to fiscal years to the State Department of Health Services to be used to support the development of managed care programs under the department's plan to expand Medi-Cal managed care.

(2) These funds shall be used by the department for both of the following purposes: (A) distributions to counties or other local entities that contract with the department to receive those funds to offset a portion of the costs of forming the local initiative entity, and (B) distributions to local initiative entities that contract with the department to receive those funds to offset a portion of the costs of developing the local initiative health delivery system in accordance with the department's plan to expand Medi-Cal managed care.

(3) Entities contracting with the department for any portion of the ten million dollars (\$10,000,000) shall meet the objectives of the department's plan to expand Medi-Cal managed care with regard to traditional and safety net providers.

(4) Entities contracting with the department for any portion of the ten million dollars (\$10,000,000) may be authorized under those contracts to utilize their funds to provide for reimbursement of the costs of local organizations and entities incurred in participating in the development and operation of a local initiative.

(5) To the full extent permitted by state and federal law, these funds shall be distributed by the department for expenditure at the local level in a manner that qualifies for federal financial participation under the medicaid program.

SEC. 31. Notwithstanding any provision of law to the contrary, the emergency regulations governing Chapter 26.5 (commencing with Section 7570) of Division 7 of Title 1 of the Government Code adopted pursuant to Section 7587 of the Government Code, and operative for the 1993-94 fiscal year, shall be operative for the 1994-95 fiscal year.

SEC. 32. The State Department of Health Services may adopt emergency regulations to implement the applicable provisions of this act in accordance with the Administrative Procedure Act, Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code. The initial adoption of emergency regulations and one readoption of the initial regulations shall be deemed to be an emergency and necessary for the immediate preservation of the public peace, health and safety, or general welfare. Initial emergency regulations and the first readoption of those regulations shall be exempt from review by the Office of Administrative Law. The emergency regulations authorized by this section shall be submitted to the Office of Administrative Law for filing with the Secretary of State and publication in the California Code of Regulations and shall remain in effect for no more than 180 days.

SEC. 33. Notwithstanding Section 17610 of the Government Code, 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. If the statewide cost of the claim for reimbursement does not exceed one million dollars (\$1,000,000), reimbursement shall be made from the State Mandates Claims Fund. Notwithstanding Section 17580 of the Government Code, unless otherwise specified in this act, the provisions of this act shall become operative on the same date that the act takes effect pursuant to the California Constitution.

SEC. 34. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order that changes in the Medi-Cal program necessary for implementation of the Budget Act of 1994 will be in effect during the entire 1994-95 fiscal year, it is necessary that this act take effect

immediately.

CHAPTER 148

An act to amend Section 1088.5 of, and to add and repeal Section 1611.5 of, the Unemployment Insurance Code, and to amend Sections 4681.1, 11008.13, 11450, 11462, 11478.51, 11486, 15204.2, 16525.10, 16525.40, 18906.5, and 19806 of, to add Sections 11008.135, 11327.55, 11450.017, 11501.5, 12200.017, 14005.85, 14011.3, 17001.8, and 17001.9 to, to repeal Section 11450.02 of, and to repeal and add Section 10824 of, the Welfare and Institutions Code, relating to human services, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 9, 1994. Filed with
Secretary of State July 11, 1994.]

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

SECTION 1. Section 1088.5 of the Unemployment Insurance Code is amended to read:

1088.5. (a) In addition to information reported in accordance with Section 1088, each employer shall file, with the department, the information provided for in subdivision (b) on new employees.

(b) Each employer shall report all of the following information to the department:

(1) The hiring of any person who resides or works in this state to whom the employer anticipates paying earnings.

(2) The rehiring or return to work of any person who has been laid off, furloughed, separated, granted a leave without pay, or terminated from employment, and to whom the employer anticipates paying wages.

(c) Employers shall not be required to report on any of the following persons:

(1) Any person whom the employer pays wages of less than three hundred dollars (\$300) each month.

(2) Any person who is under 18 years of age.

(d) (1) The department and the State Department of Social Services, jointly, shall adopt rules and regulations to establish exemptions in addition to those provided in subdivision (c), if the department and the State Department of Social Services determine the exemptions are needed to reduce unnecessary or burdensome reporting or are needed to facilitate cost-effective operation of this section.

(2) The department and the State Department of Social Services shall adopt regulations required pursuant to paragraph (1) by April 1, 1993.

(e) (1) Employers shall submit a report within 30 days of the

hiring, rehiring, or return to work of any person on whom the employer is required to report pursuant to this section.

(2) The report shall contain all of the following:

(A) The first initial and last name and social security number of the person.

(B) The employer's name, address, and state employer identification number.

(3) The report required by Section 1088 shall not be accepted in lieu of the report required by this section.

(f) Employers may report pursuant to this section, by submitting a copy of the employee's W-4 form, a form provided by the department, or any other hiring document, by mail or telefaxing or by any other means that is authorized by the department and that will result in timely reporting.

(g) The department shall retain information collected pursuant to this section for no more than 180 days after the end of the calendar quarter, except for purposes of enforcement of subdivision (i).

(h) The department may use the information collected pursuant to this section only for the following purposes:

(1) The administration and enforcement of this section.

(2) The identification, prevention, and collection of benefit overpayments pursuant to any of the following provisions:

(A) Article 4 (commencing with Section 1375) of Chapter 5.

(B) Article 5 (commencing with Section 2735) of Chapter 2 of Part 2.

(C) Section 3751.

(D) Section 4751.

(3) The location of noncustodial parents or the income of noncustodial parents.

(4) The identification of errors in employer reports of wages filed pursuant to Section 1088.

(5) The verification of employment of applicants for, and recipients of, services under the Aid to Families with Dependent Children program or the Food Stamp Program, provided for pursuant to Chapter 2 (commencing with Section 11200) of Part 3 and Chapter 10 (commencing with Section 18900) of Part 6, respectively, of Division 9 of the Welfare and Institutions Code.

(i) The department shall provide a written notice to any employer for the employer's first failure to report any new hire, rehire, or return to work of an employee. For each subsequent failure to report as required by this section that occurs after the date the employer receives notice from the department of his or her first failure to report, an employer shall be subject to a penalty of two hundred fifty dollars (\$250).

(j) The department shall not enforce the employer reporting requirements of this section until April 1, 1993, or when regulations are adopted pursuant to subdivision (d), whichever is sooner.

(k) For purposes of this section, "wages" means the same as defined in Section 926 of the Unemployment Insurance Code.

SEC. 2. Section 1611.5 is added to the Unemployment Insurance Code to read:

1611.5. (a) Notwithstanding Section 1611, the Legislature may appropriate up to twenty million dollars (\$20,000,000) from the Employment Training Fund in the Budget Act of 1994 for purposes of funding the local assistance portion of the nonfederal share of cost in the Greater Avenues for Independence (GAIN) program, provided for pursuant to Article 3.2 (commencing with Section 11320) of Chapter 2 of Part 3 of Division 9 of the Welfare and Institutions Code, as administered by the State Department of Social Services.

(b) Notwithstanding any other provision of law, the panel may execute training contracts for up to twenty million dollars (\$20,000,000) in excess of the amounts appropriated by Item 5100-001-514 of the Budget Act of 1994.

(c) This section shall become inoperative on July 1, 1995, and as of January 1, 1996, is repealed, unless later enacted statute, which becomes effective on or before January 1, 1996, deletes or extends the dates on which it becomes inoperative and is repealed.

SEC. 3. Section 4681.1 of the Welfare and Institutions Code is amended to read:

4681.1. (a) By July 1, 1989, and each year thereafter, the department shall establish rates, that shall be reviewed by the state council. Payment of these rates shall be subject to the appropriation of sufficient funds for that purpose in the Budget Act. In reviewing the sufficiency of these rates that is required by March 1, 1989, the department shall take into account the findings and recommendations of the study conducted by the State Council on Developmental Disabilities pursuant to Section 4541.

(b) In establishing rates to be paid for out-of-home care, the department shall include each of the cost elements in this section as follows:

(1) Rates established for all facilities shall include an adequate amount to care for "basic living needs" of a person with developmental disabilities. "Basic living needs" shall include housing, shelter, utilities, furnishings, food, incidental transportation, housekeeping, and personal care items. The amount required for basic living needs shall be calculated each year as the average cost of these items in community care facilities. The department shall annually publish a listing of the allowable cost components of these cost items and the methodology used to determine the amounts of each item. The amount for basic living needs shall be adjusted depending on the extent to which there is a demonstrated variation based on the size of the out-of-home facility. These amounts shall be adjusted annually to reflect cost-of-living changes. A redetermination of basic living costs shall be undertaken every three years by the State Department of Developmental Services, using the best available estimating methods. The first report shall be made on March 1, 1996, contingent upon availability of funds. By March 1,

1993, the department shall convene an advisory committee and develop a plan, including a proposal for an appropriate study methodology, for the redetermination of basic living costs. The advisory committee shall include, but not be limited to, service consumers, family members, residential service providers, and advocacy groups. If sufficient funds are not available, the first report shall be made on March 1, 1997.

(2) Rates established for all facilities that provide direct supervision for persons with developmental disabilities shall include an amount for "direct supervision." The cost of "direct supervision" shall vary with the person's functioning in the areas of self-care and daily living skills, physical coordination and mobility, and behavioral self-control and shall reflect one of the following:

(A) Basic self-help and daily living skills, no significant limitations in physical coordination and mobility, and behavioral self-control.

(B) Poor self-help and daily living skills, some limitations in physical coordination and mobility, or some disruptive or self-injurious behavior.

(C) Severe deficits in self-care and daily living skills, severe impairments in physical coordination and mobility, or severely disruptive or self-injurious behavior.

The individual program plan developed pursuant to Section 4646 shall determine the amount of direct supervision required for each individual. The cost of direct supervision shall be calculated as the wage and benefit costs of caregiving staff depending on the level of service being provided to meet the functional needs of the person with developmental disabilities. These rates shall be adjusted annually to reflect wage changes and shall comply with all federal regulations for hospitals and residential care establishments under the federal Fair Labor Standards Act.

(3) Rates established for all facilities that provide "special services" for persons with developmental disabilities shall include an amount to pay for such "special services" for each person receiving special services. "Special services" include specialized training, treatment, supervision, or other services which the individual program plan of each person requires to be provided by the residential facility in addition to the direct supervision provided pursuant to the person's individual program plan in subdivision (b). Facilities shall be paid for providing special services for each individual to the extent that such services are specified in the person's individual program plan and the facility is designated provider of such special services. Rates of payment for special services shall be the same as prevailing rates paid for similar services in the area.

(4) To the extent applicable, rates established for facilities shall include a reasonable amount for "unallocated services." These costs shall be determined using generally accepted accounting principles. "Unallocated services" means the indirect costs of managing a facility and includes costs of managerial personnel, facility operation,

maintenance and repair, employee benefits, taxes, interest, insurance, depreciation, and general and administrative support. If a facility serves other persons in addition to developmentally disabled persons, unallocated services expenses shall be reimbursed under this section, only for the proportion of the costs associated with the care of developmentally disabled persons. The amount for unallocated services shall be adjusted depending on the extent to which there is a demonstrated variation due to such factors as facility size or administrative structure.

(5) Rates established for facilities shall include an amount to reimburse facilities for the depreciation of "mandated capital improvements and equipment" as established in the state's uniform accounting manual. For purposes of this section, "mandated capital improvements and equipment" are only those remodeling and equipment costs incurred by a facility because an agency of government has required such remodeling or equipment as a condition for the use of the facility as a provider of out-of-home care to persons with developmental disabilities.

(6) When applicable, rates established for proprietary facilities shall include a reasonable "proprietary fee."

(7) Rates established for all facilities shall include as a "factor" an amount to reflect differences in the cost of living for different geographic areas in the state.

(8) Rates established for developmentally disabled persons who are also mentally disordered may be fixed at a higher rate. The State Department of Mental Health shall establish criteria upon which higher rates may be fixed pursuant to this subdivision. The higher rate for developmentally disabled persons who are also mentally disordered may be paid when requested by the director of the regional center and approved by the Director of Developmental Services.

(c) This section shall apply to facility rates paid under the alternative residential model originally authorized in Item 4300-101-001 of the Budget Act of 1985 and as identified in the department's report of April 1987 entitled Alternative Residential Model (ARM).

(d) The department shall approve additional facilities to receive rates pursuant to this section upon the appropriation of funds for that purpose.

(e) It is the intent of the Legislature that the department phase in implementation of the alternative residential model during the fiscal years 1987-88, 1988-89, 1989-90, and 1990-91. The department shall include all facilities providing services pursuant to this article in the alternative residential model by January 1, 1991.

(f) By April 1, 1989, the State Department of Developmental Services shall prepare draft regulations establishing quality service standards for facilities and procedures for administering the alternative residential model. The department shall confer with interested parties concerning the draft regulations by July 1, 1989. By

July 1, 1990, the department shall submit to the Office of Administrative Law regulations establishing quality service standards for facilities, procedures for administering the Alternative Residential Model, and ratesetting methodology. Full statewide implementation of the Alternative Residential Model shall not occur until the department has submitted these regulations.

(g) In addition to establishing rates as required by this section, the State Department of Developmental Services shall detail obstacles to ensuring sufficient numbers of living arrangements for persons served by the department, and to providing an adequate quality of care and services to persons served by the department who reside in residential facilities, and make recommendations for overcoming these obstacles.

SEC. 4. Section 10824 of the Welfare and Institutions Code is repealed.

SEC. 5. Section 10824 is added to the Welfare and Institutions Code, to read:

10824. (a) Funds appropriated by the Budget Act of 1994 may be used to fund the county share of (1) development costs, and; (2) maintenance costs and operation costs for the first 12 months of implementation of the Statewide Automated Welfare System (SAWS) for each county participating in the SAWS. Implementation shall be deemed to begin in each county when the county receives state certification that the SAWS application is operational on the first group of workstations in that county.

(b) (1) The county shall secure the prior approval of the department for any use of SAWS equipment, software or resources for activities and program administration not eligible for federal financial participation.

(2) The county shall allocate SAWS costs to the respective programs eligible for federal financial participation in accordance with the cost allocation requirements of each program.

(3) The county shall allocate as SAWS costs only costs for activities and program administration eligible for federal financial participation.

(c) If a county uses SAWS equipment, software, or resources for activities and program administration not eligible for federal financial participation, and fails to comply with provisions specified in subdivision (b), the county shall be liable to the department for any disallowance due to that use by the county of SAWS equipment, software, or resources. In the event of such a loss, the department may recover the loss by reducing funds otherwise due the county as state participation in programs administered by the county under the supervision of the department.

(d) The department shall fund each county's share of the Central Data Base for the Medi-Cal Eligibility Data System (MEDS) until the end of the 12th month of implementation of the SAWS, as defined in subdivision (a).

SEC. 6. Section 11008.13 of the Welfare and Institutions Code is

amended to read:

11008.13. To the same extent as required by federal law, and as otherwise consistent with other provisions of this chapter:

(a) The income and resources of a sponsor and his or her spouse shall be deemed as the income and resources of an alien who is an applicant for or recipient of aid under Chapter 2 (commencing with Section 11200).

(b) Any alien applicant or recipient, whose sponsor is a public or private agency, shall be ineligible for aid under Chapter 2 (commencing with Section 11200) during the period of three years after his or her entry into the United States. However, this ineligibility shall cease when it is determined that the sponsoring agency no longer exists or is unable to meet the alien's needs.

(c) As a condition of eligibility, any individual who is an alien, during the period of three years after entry into the United States, shall be required to provide any information and documentation with respect to his or her sponsor as may be necessary in order to make any determination required under this section.

(d) If it is determined that as a result of a sponsor's failure to provide correct information an overpayment has been made to an alien, the alien and his or her sponsor shall be jointly and severally liable for repayments. Any such overpayment which is not repaid by the alien or sponsor shall be subject to recoupment pursuant to the provision of Section 11004.

(e) The provisions of this section shall not apply to any alien who is:

(1) Admitted to the United States as a result of the application, prior to April 1, 1980, of the provisions of Section 203(a) (7) of the Immigration and Nationality Act.

(2) Admitted to the United States as a result of the application, after March 31, 1980, of the provisions of Section 207(c) (1) of that act.

(3) Paroled into the United States under Section 212(d) (5) of that act.

(4) Granted political asylum by the Attorney General under Section 208 of that act.

(5) A Cuban or Haitian entrant as defined in Section 501 (e) of the Refugee Education Assistance Act of 1980.

This section shall be applied to all applicants for, and recipients of, aid under Chapter 2, (commencing with Section 11200), regardless of whether federal financial participation is available for the family.

(f) This section shall be operative only during that time that Section 11008.135 is not operative.

SEC. 7. Section 11008.135 is added to the Welfare and Institutions Code, to read:

11008.135. (a) To the same extent as required by federal law, an alien whose entry into the United States has been sponsored by an individual who, or organization that, executed an affidavit of support or similar agreement with respect to the alien shall be ineligible for the Aid to Families with Dependent Children program, the

Supplemental Security Income/State Supplementary Program for the Aged, Blind and Disabled, and the Food Stamp Program for a period of five years after the alien's entry into the United States unless the sponsoring person dies or the sponsoring organization ceases to exist.

(b) Subdivision (a) shall not apply with respect to any alien who is:

(1) Admitted to the United States as a result of the application, prior to April 1, 1980, of Section 1153(a)(7) of Title 8 of the United States Code.

(2) Admitted to the United States as a result of the application, after March 31, 1980, of Section 1157(c) of Title 8 of the United States Code.

(3) Paroled into the United States under Section 1182(d)(5) of Title 8 of the United States Code.

(4) Granted political asylum by the United States Attorney General under Section 1158 of Title 8 of the United States Code.

(5) A Cuban or Haitian entrant, as defined in Section 501(e) of the Refugee Education Assistance Act of 1980 (Public Law 96-422).

(c) This section shall become operative on the effective date of federal law that prohibits providing assistance to sponsored aliens, and shall remain operative only as long as federal law remains in effect. The director shall determine the operative dates of this section pursuant to this subdivision and shall execute a declaration, that shall be retained by the director, that sets forth the operative date or termination date.

SEC. 8. Section 11327.55 is added to the Welfare and Institutions Code, to read:

11327.55. (a) This section shall apply to any individual who meets all of the following conditions:

(1) Is required to participate pursuant to this article.

(2) Is not employed or is employed for fewer than 15 hours per week.

(3) Is any of the following:

(A) Has failed or refused to comply with program requirements without good cause in a program component to which he or she is assigned and for whom conciliation efforts, as described in Section 11327.4, have failed.

(B) Is participating in or has completed a long-term preemployment preparation assignment.

(C) Has received or had an opportunity to complete post-assessment education and training services and is not entitled to receive additional education and training services, in accordance with subdivision (f) of Section 11322.4.

(4) Has received aid payments pursuant to Section 11450 for 22 out of the last 24 months.

(b) (1) Two years after an individual, who is subject to this section, other than an individual already participating in a long-term preemployment preparation assignment of 100 or more hours per

month, is appraised, the county welfare department shall notify the individual of any preemployment preparation assignment it has identified, and shall offer him or her the assignment if it deems the offer appropriate. The preemployment preparation assignment shall conform to the requirements of this article, shall be appropriate to the individual's skills and abilities, and shall require 100 hours of participation per month. Individuals already participating in a long-term preemployment preparation assignment fewer than 100 hours per month shall increase participation to 100 hours per month, if feasible.

(2) If an individual fails or refuses to comply without good cause with the requirements of paragraph (1), the conciliation provisions of Section 11327.4 and the sanction provisions of Section 11327.5 shall apply.

(3) Any hours spent by the individual as a classroom volunteer in his or her child's school shall count towards meeting the 100 hour requirement.

(c) All services and rights available under this article to GAIN participants, including due process rights granted pursuant to Chapter 7 (commencing with Section 10950) of Part 2, shall be available to individuals subject to this section.

(d) This section shall apply only if the individual has had an opportunity to complete GAIN education and training.

(e) This section shall not apply to any individual who has the primary responsibility for personally providing care to a child two years of age or younger.

(f) This section shall be implemented only when the director has executed a declaration, that shall be retained by the director, that any necessary waivers and federal financial participation have been obtained.

(g) The department shall seek all federal waivers necessary to implement this section.

SEC. 8.5. Section 11450 of the Welfare and Institutions Code is amended to read:

11450. (a) (1) Aid shall be paid for each needy family, which shall include all eligible brothers and sisters of each eligible applicant or recipient child and the parents of the children, but shall not include unborn children, or recipients of aid under Chapter 3 (commencing with Section 12000), qualified for aid under this chapter. In determining the amount of aid paid, the family's income, exclusive of any amounts considered exempt as income or paid pursuant to subdivision (e) or Section 11453.1 shall be deducted from the sum specified in Section 11452, as adjusted for cost-of-living increases pursuant to Section 11453 and paragraph (2) of subdivision (a) of Section 11450 11496. In no case shall the amount of aid paid for each month exceed the sum specified in the following table, as adjusted for cost-of-living increases pursuant to Section 11453 and paragraph (2) of subdivision (a) of Section 11450, plus any special needs, as specified in subdivisions (c), (e), and (f):

Number of eligible needy persons in the same home	Maximum aid
1	\$ 326
2	535
3	663
4	788
5	899
6	1,010
7	1,109
8	1,209
9	1,306
10 or more	1,403

If, when, and during such times as the United States government increases or decreases its contributions in assistance of needy children in this state above or below the amount paid on July 1, 1972, the amounts specified in the above table shall be increased or decreased by an amount equal to that increase or decrease by the United States government, provided that no increase or decrease shall be subject to subsequent adjustment pursuant to Section 11453.

(2) The sums specified in paragraph (1) shall not be adjusted for cost of living for the 1990-91, 1991-92, 1992-93, 1993-94, 1994-95, and 1995-96 fiscal years, nor shall that amount be included in the base for calculating any cost-of-living increases for any fiscal year thereafter. Elimination of the cost-of-living adjustment pursuant to this paragraph shall satisfy the requirements of Section 11453.05, and no further reduction shall be made pursuant to that section.

(b) When the family does not include a needy child qualified for aid under this chapter, aid shall be paid to a pregnant mother in the amount which would otherwise be paid to one person, as specified in subdivision (a), if the mother, and child if born, would have qualified for aid under this chapter. Verification of pregnancy shall be required as a condition of eligibility for aid under this subdivision.

(c) The amount of forty-seven dollars (\$47) per month shall be paid to pregnant mothers qualified for aid under subdivision (a) or (b) to meet special needs resulting from pregnancy if the mother, and child, if born, would have qualified for aid under this chapter. County welfare departments shall refer all recipients of aid under this subdivision to a local provider of the Women, Infants and Children program. If that payment to pregnant mothers qualified for aid under subdivision (a) is considered income under federal law in the first five months of pregnancy, payments under this subdivision shall not apply to persons eligible under subdivision (a), except for the month in which birth is anticipated and for the three-month

period immediately prior to the month in which delivery is anticipated, if the mother, and the child if born, would have qualified for aid under this chapter.

(d) For children receiving AFDC-FC under this chapter, there shall be paid, exclusive of any amount considered exempt as income, an amount of aid each month which, when added to the child's income, is equal to the rate specified in Section 11460, 11461, 11462, 11462.1, or 11463. In addition, the child shall be eligible for special needs, as specified in departmental regulations.

(e) In addition to the amounts payable under subdivision (a) and Section 11453.1, a family shall be entitled to receive an allowance for recurring special needs not common to a majority of recipients. These recurring special needs shall include, but not be limited to, special diets upon the recommendation of a physician for circumstances other than pregnancy, and unusual costs of transportation, laundry, housekeeping service, telephone, and utilities. The recurring special needs allowance for each family per month shall not exceed that amount resulting from multiplying the sum of ten dollars (\$10) by the number of recipients in the family who are eligible for assistance.

(f) After a family has used all available liquid resources, both exempt and nonexempt, in excess of one hundred dollars (\$100), the family shall also be entitled to receive an allowance for nonrecurring special needs.

(1) An allowance for nonrecurring special needs shall be granted for replacement of clothing and household equipment and for emergency housing needs other than those needs addressed by paragraph (2). These needs shall be caused by sudden and unusual circumstances beyond the control of the needy family. The department shall establish the allowance for each of the nonrecurring special need items. The sum of all nonrecurring special needs provided by this subdivision shall not exceed six hundred dollars (\$600) per event.

(2) Homeless assistance is available to a homeless family seeking shelter when the family is eligible for aid under this chapter. Homeless assistance for temporary shelter is also available to homeless families which are apparently eligible for aid under this chapter. Apparent eligibility exists when evidence presented by the applicant or which is otherwise available to the county welfare department and the information provided on the application documents indicate that there would be eligibility for aid under this chapter if the evidence and information were verified. However, an alien applicant who does not provide verification of his or her eligible alien status, or a woman with no eligible children who does not provide medical verification of pregnancy, is not apparently eligible for purposes of this section.

A family is considered homeless, for the purpose of this section, when the family lacks a fixed and regular nighttime residence; or the family has a primary nighttime residence that is a supervised publicly

or privately operated shelter designed to provide temporary living accommodations; or the family is residing in a public or private place not designed for, or ordinarily used as, a regular sleeping accommodation for human beings.

(A) (i) A nonrecurring special need of thirty dollars (\$30) a day shall be available to families for the costs of temporary shelter, subject to the requirements of this paragraph. County welfare departments may increase the daily amount available for temporary shelter to large families as necessary to secure the additional bed space needed by the family.

(ii) This special need shall be granted or denied immediately upon the family's application for homeless assistance, and benefits shall be available for up to three working days. The county welfare department shall verify the family's homelessness within the first three working days and if the family meets the criteria of questionable homelessness established by the department, the county welfare department shall refer the family to its early fraud prevention and detection unit, if the county has such a unit, for assistance in the verification of homelessness within this period.

(iii) After homelessness has been verified, the three-day limit shall be extended for a period of time which, when added to the initial benefits provided, does not exceed a total of 16 calendar days. This extension of benefits shall be done in increments of one week and shall be based upon searching for permanent housing which shall be documented on a housing search form; good cause; or other circumstances defined by the department. Documentation of housing search shall be required for the initial extension of benefits beyond the three-day limit and on a weekly basis thereafter as long as the family is receiving temporary shelter benefits. Good cause shall include, but is not limited to, situations in which the county welfare department has determined that the family, to the extent it is capable, has made a good faith but unsuccessful effort to secure permanent housing while receiving temporary shelter benefits.

(B) A nonrecurring special need for permanent housing assistance is available to pay for last month's rent and security deposits when these payments are reasonable conditions of securing a residence.

The last month's rent portion of the payment (1) shall not exceed 80 percent of the family's maximum aid payment without special needs for a family of that size and (2) shall only be made to families that have found permanent housing costing no more than 80 percent of the family's maximum aid payment without special needs for a family of that size, in accordance with the maximum aid schedule specified in subdivision (a).

However, if the county welfare department determines that a family intends to reside with individuals who will be sharing housing costs, the county welfare department shall, in appropriate circumstances, set aside the condition specified in clause (2) of the preceding paragraph.

(C) The nonrecurring special need for permanent housing assistance is also available to cover the standard costs of deposits for utilities which are necessary for the health and safety of the family.

(D) A payment for or denial of permanent housing assistance shall be issued no later than one working day from the time that a family presents evidence of the availability of permanent housing. If an applicant family provides evidence of the availability of permanent housing before the county welfare department has established eligibility for aid under this chapter, the county welfare department shall complete the eligibility determination so that the denial of or payment for permanent housing assistance is issued within one working day from the submission of evidence of the availability of permanent housing, unless the family has failed to provide all of the verification necessary to establish eligibility for aid under this chapter.

(E) Eligibility for the temporary shelter assistance and the permanent housing assistance pursuant to this paragraph shall be limited to once every 24 months. The county welfare department shall report to the department, through a statewide homeless assistance payment indicator system, necessary data, as requested by the department, regarding all recipients of aid under this paragraph.

(F) The county welfare departments, and all other entities participating in the costs of the AFDC program, have the right in their share to any refunds resulting from payment of the permanent housing. However, if an emergency requires the family to move within the 24-month period specified in subparagraph (E), the family shall be allowed to use any refunds received from its deposits to meet the costs of moving to another residence.

(G) Payments to providers for temporary shelter and permanent housing and utilities shall be made on behalf of families requesting these payments.

(H) The daily amount for the temporary shelter special need for homeless assistance may be increased if authorized by the current year's Budget Act by specifying a different daily allowance and appropriating the funds therefor.

(I) No payment shall be made pursuant to this paragraph unless the provider of housing is a commercial establishment, shelter, or person in the business of renting properties who has a history of renting properties.

(g) The department shall establish rules and regulations assuring the uniform application statewide of this subdivision.

(h) The department shall notify all applicants and recipients of aid through the standardized application form that these benefits are available and shall provide an opportunity for recipients to apply for the funds quickly and efficiently.

(i) Except for the purposes of Section 15200, the amounts payable to recipients pursuant to Section 11453.1 shall not constitute part of the payment schedule set forth in subdivision (a).

The amounts payable to recipients pursuant to Section 11453.1

shall not constitute income to recipients of aid under this section.

SEC. 9. Section 11450.02 of the Welfare and Institutions Code is repealed.

SEC. 10. Section 11450.017 is added to the Welfare and Institutions Code to read:

11450.017. (a) Notwithstanding any other provision of law, the maximum aid payment in effect on June 30, 1994, in accordance with paragraph (1) of subdivision (a) of Section 11450 as reduced by subdivisions (a) and (b) of Section 11450.01 and subdivision (a) of Section 11450.015, shall be reduced by 2.3 percent beginning the first of the month following 50 days after the effective date of this section.

(b) The decrease in aid provided for pursuant to this section shall not prevent the increases in aid that shall occur on July 1, 1996, pursuant to Sections 11450.01 and 11450.015.

SEC. 11. Section 11462 of the Welfare and Institutions Code, as amended by Section 2 of Chapter 950 of the Statutes of 1993, is amended to read:

11462. (a) (1) Effective July 1, 1990, foster care providers licensed as group homes, as defined in departmental regulations, including public child care institutions, as defined in Section 11402.5, shall have rates established by classifying each group home program and applying the standardized schedule of rates. The department shall collect information from group providers beginning January 1, 1990, in order to classify each group home program.

(2) Notwithstanding paragraph (1), foster care providers licensed as group homes shall have rates established only if the group home is organized and operated on a nonprofit basis as required under subdivision (h) of Section 11400.

(3) The department shall terminate the rate, effective January 1, 1993, of any group home that is not organized and operated on a nonprofit basis as required under subdivision (h) of Section 11400.

(b) A group home program shall be initially classified, for purposes of emergency regulations, according to the level of care and services to be provided using a point system developed by the department and described in the report, "The Classification of Group Home Programs under the Standardized Schedule of Rates System," prepared by the State Department of Social Services, August 30, 1989.

(c) The rate for each rate classification level (RCL) has been determined by the department with data from the AFDC-FC Group Home Rate Classification Pilot Study. The rates effective July 1, 1990, were developed using 1985 calendar year costs and reflect adjustments to the costs for each fiscal year, starting with the 1986-87 fiscal year, by the amount of the California Necessities Index computed pursuant to the methodology described in Section 11453. The data obtained by the department using 1985 calendar year costs shall be updated and revised by January 1, 1993.

(d) As used in this section, "standardized schedule of rates" means a listing of the 14 rate classification levels, the single rate

established for each RCL, and the rate floor for each RCL.

(e) The standardized schedule of rates shall be phased in commencing July 1, 1990.

(1) In order to phase in the standardized schedule of rates, a "rate floor" has been established for each RCL.

(2) The rate floor for the 1990-91 fiscal year shall be 85 percent of the standard rate for each RCL. The rate floor shall be increased to 92.5 percent of the standard rate for the 1991-92 fiscal year for each RCL, shall be equal to the standard rate for each RCL for the period July 1, 1992, to September 13, 1992, inclusive, and shall be 92.5 percent of the standard rate for each RCL for the period September 14, 1992, to June 30, 1993, inclusive.

(3) The rate floor for each RCL shall be 95 percent of the standard rate for each RCL for the 1993-94 fiscal year. The rate floor shall be equal to the standard rate for each RCL for the 1994-95 fiscal year and beyond.

(f) Except as specified in paragraph (1), the department shall determine the RCL for each group home program on a prospective basis, according to the level of care and services that the group home operator projects will be provided during the period of time for which the rate is being established.

(1) For a group home program for which the department established a rate effective prior to June 30, 1990, that took into account the program's historical costs, the department shall establish the rate for the 1990-91 fiscal year by determining the RCL on a retrospective basis, according to the level of care and services actually provided between July 1 and December 31, 1989, or between July 1, 1989, and March 31, 1990.

(2) Group home programs that fail to maintain at least the level of care and services associated with the RCL upon which their rate was established shall inform the department. The department shall develop regulations specifying procedures to be applied when a group home fails to maintain the level of services projected, including, but not limited to, rate reduction and recovery of overpayments.

(3) The department shall not reduce the rate, establish an overpayment, or take other actions pursuant to paragraph (2) for any period that a group home program maintains the level of care and services associated with the RCL for children actually residing in the facility. Determinations of levels of care and services shall be made in the same way as modifications of overpayments are made pursuant to paragraph (2) of subdivision (b) of Section 11466.2.

(4) Beginning July 1, 1994, for group homes paid at rates below the standard rate established by subdivision (g), a group home program shall remain at its current RCL if it maintains at least the level of care and services associated with that percentage of the points required to be at that RCL that equals the percentage of the standard rate used to establish the group home's rate. In no event, however, shall points per child per month be reduced more than ten points below

the minimum required for the current RCL. The RCL for a program shall not increase due to the operation of this paragraph absent any program changes approved by the department pursuant to subdivision (k).

(5) A group home program that substantially changes its staffing pattern from that reported in the group home program statement shall provide notification of this change to all counties that have placed children currently in care. This notification shall be provided whether or not the RCL for the program may change as a result of the change in staffing pattern.

(g) The standardized schedule of rates for the 1990-91 fiscal year is:

Rate Classification Level	Point Ranges	FY 1990-91	
		Standard Rate	Rate Floor (85%)
1	Under 60	\$1,183	\$1,006
2	60- 89	1,478	1,256
3	90-119	1,773	1,507
4	120-149	2,067	1,757
5	150-179	2,360	2,006
6	180-209	2,656	2,258
7	210-239	2,950	2,508
8	240-269	3,245	2,758
9	270-299	3,539	3,008
10	300-329	3,834	3,259
11	330-359	4,127	3,508
12	360-389	4,423	3,760
13	390-419	4,720	4,012
14	420 & Up	5,013	4,261

(h) (1) For the 1990-91 fiscal year, the standardized schedule of rates shall be implemented as follows:

(A) Any group home program which received an AFDC-FC rate in the prior fiscal year below the standard rate for the fiscal year 1990-91 RCL shall receive their 1989-90 rate plus an amount equal to the California Necessities Index (CNI). The rate for the 1990-91 fiscal year at which the state will participate shall not exceed the standard rate for the RCL.

(B) If the CNI increase to the group home program's 1989-90 fiscal year rate does not raise the group home program to the rate floor for the RCL, the group home program shall receive a rate equal to the rate floor for the RCL.

(C) A group home program which received an AFDC-FC rate for the 1989-90 fiscal year at or above the standard rate for the RCL for the 1990-91 fiscal year shall continue to receive the 1989-90 fiscal year rate.

(2) For the 1996-97 fiscal year and the 1997-98 fiscal year, the

standardized rate for each RCL shall be adjusted by an amount equal to CNI computed pursuant to the methodology described in Section 11453.

(3) Notwithstanding paragraph (2), on and after the operative date of this paragraph the standardized rate for each RCL in effect on June 30, 1992, shall be the standardized rate for the remainder of fiscal year 1992-93. The department shall adjust rates downward, as necessary to comply with this paragraph.

(A) Any group home program which received an AFDC-FC rate in the prior fiscal year at or above the adjusted standard rate for the RCL in the current fiscal year shall continue to receive that rate.

(B) A group home program which received an AFDC-FC rate in the prior fiscal year below the standard rate for the RCL in the current fiscal year shall receive that rate adjusted by an amount equal to the CNI. The rate for the current fiscal year shall not exceed the standard rate for the RCL and shall not be less than the rate floor for the RCL.

(4) Beginning with the 1996-97 fiscal year, the standardized schedule of rates shall be adjusted annually by an amount equal to the CNI computed pursuant to Section 11453, subject to the availability of funds.

(A) Any group home program which received an AFDC-FC rate in the prior fiscal year at or above the adjusted standard rate for the RCL in the current fiscal year shall continue to receive that rate.

(B) Any group home program which received an AFDC-FC rate in the prior fiscal year below the adjusted standard rate for the RCL in the current fiscal year shall receive the adjusted RCL rate.

(i) (1) (A) The rate for a new group home program of a new or existing provider shall be established at the rate floor for the new program's projected RCL.

(B) On and after the operative date of this subparagraph, the department shall not, prior to July 1, 1993, establish a rate for a new group home program of a new or existing provider. However, in order to allow for the continued operation of group homes which, prior to January 1, 1993, had a rate established as a group home organized and operated on a for-profit basis and which have subsequently organized and operated on a nonprofit basis, the department shall establish a rate for the remainder of the 1992-93 fiscal year for those providers not to exceed the RCL and AFDC-FC rate received by the provider prior to the operative date of this subparagraph.

(2) The department shall not establish a rate for a new program of a new or existing provider unless the provider submits a recommendation from the host county, the primary placing county, or a regional consortium of counties that the program is needed in that county; that the provider is capable of effectively and efficiently operating the program; and that the provider is willing and able to accept AFDC-FC children for placement who are determined by the placing agency to need the level of care and services that will be

provided by the program.

(3) The department shall encourage the establishment of consortia of county placing agencies on a regional basis for the purpose of making decisions and recommendations about the need for, and use of, group home programs and other foster care providers within the regions.

(4) The department shall annually conduct a county-by-county survey to determine the unmet placement needs of children placed pursuant to Sections 300 and Section 601 or 602, and shall publish its findings by November 1 of each year.

(j) The department shall develop regulations specifying ratesetting procedures for program expansions, reductions, or modifications, including increases or decreases in licensed capacity, or increases or decreases in level of care or services.

(k) (1) For the purpose of this subdivision, "program change" means any alteration to an existing group home program planned by a provider that will increase the RCL or the AFDC-FC rate. An increase in the licensed capacity or other alteration to an existing group home program that does not increase the RCL or AFDC-FC rate shall not constitute a program change.

(2) (A) Prior to July 1, 1993, the rate for a group home program shall not increase, as the result of a program change, from the rate established for the program effective June 30, 1992. For rate increases as a result of a program change which become effective between July 1, 1992, and the effective date of this paragraph, the department shall adjust rates downward, as necessary, to comply with this chapter. Notwithstanding any other provision of law, a group home provider shall be allowed to change a group home program to reflect a decrease in services due to the provisions of this paragraph.

(B) For the 1993-94 fiscal year, the rate for a group home program shall not increase, as the result of a program change, from the rate established for the program effective July 1, 1993, except as provided in paragraph (3).

(C) For the 1994-95 fiscal year, the rate for a group home program shall not increase, as the result of a program change, from the rate established for the program effective July 1, 1994, except as provided in paragraph (3).

(3) (A) Commencing with the operative date of this paragraph and only during the 1992-93 fiscal year, the 1993-94 fiscal year, and the 1994-95 fiscal year, the department shall not establish a rate for a new program of a new or existing provider, or approve a program change for an existing provider that either increases the program's RCL or AFDC-FC rate, or increases the licensed capacity of the program as the result of decreases in another program with a lower RCL or lower AFDC-FC rate that is operated by that provider, unless both of the conditions specified in this paragraph are met.

(i) The licensee obtains a letter of recommendation from the host county, primary placing county, or regional consortium of counties regarding the proposed program change or new program.

(ii) The county determines that there is no increased cost to the General Fund.

(B) Notwithstanding subparagraph (A), the department may grant a request for a new program or program change, not to exceed 25 beds, statewide, if the licensee obtains a letter of recommendation from the host county, primary placing county, or regional consortium of counties regarding the proposed program change or new program and the new program or program change will result in a reduction of referrals to state hospitals during the 1992–93 fiscal year, the 1993–94 fiscal year, or the 1994–95 fiscal year.

(l) General unrestricted or undesignated private charitable donations and contributions made to charitable or nonprofit organizations shall not be deducted from the cost of providing services pursuant to this section.

(m) The department shall, by October 1 each year, commencing October 1, 1992, provide the Joint Legislative Budget Committee with a list of any new departmental requirements established during the previous fiscal year concerning the operation of group homes, and of any unusual, industrywide increase in costs associated with the provision of group care which may have significant fiscal impact on providers of group homes care. The committee may, in fiscal year 1993–94 and beyond, use the list to determine whether an appropriation for rate adjustments is needed in the subsequent fiscal year.

(n) This section shall remain in effect only until July 1, 1995, and as of that date is repealed, unless a later enacted statute, which becomes effective on or before July 1, 1995, deletes or extends that date.

SEC. 12. Section 11462 of the Welfare and Institutions Code, as amended by Section 3 of Chapter 950 of the Statutes of 1993, is amended to read:

11462. (a) (1) Effective July 1, 1990, foster care providers licensed as group homes, as defined in departmental regulations, including public child care institutions, as defined in Section 11402.5, shall have rates established by classifying each group home program and applying the standardized schedule of rates. The department shall collect information from group providers beginning January 1, 1990, in order to classify each group home program.

(2) Notwithstanding paragraph (1), foster care providers licensed as group homes shall have rates established only if the group home is organized and operated on a nonprofit basis as required under subdivision (h) of Section 11400. The department shall terminate the rate effective January 1, 1993, of any group home not organized and operated on a nonprofit basis as required under subdivision (h) of Section 11400.

(b) A group home program shall be initially classified, for purposes of emergency regulations, according to the level of care and services to be provided using a point system developed by the department and described in the report, "The Classification of

Group Home Programs under the Standardized Schedule of Rates System,” prepared by the State Department of Social Services, August 30, 1989.

(c) The rate for each rate classification level (RCL) has been determined by the department with data from the AFDC-FC Group Home Rate Classification Pilot Study. The rates effective July 1, 1990, were developed using 1985 calendar year costs and reflect adjustments to the costs for each fiscal year, starting with the 1986-87 fiscal year, by the amount of the California Necessities Index computed pursuant to the methodology described in Section 11453. The data obtained by the department using 1985 calendar year costs shall be updated and revised by January 1, 1993.

(d) As used in this section, “standardized schedule of rates” means a listing of the 14 rate classification levels, the single rate established for each RCL, and the rate floor for each RCL.

(e) The standardized schedule of rates shall be phased in commencing July 1, 1990.

(1) In order to phase in the standardized schedule of rates, a “rate floor” has been established for each RCL.

(2) The rate floor for fiscal year 1990-91 shall be 85 percent of the standard rate for each RCL. The rate floor shall be increased to 92.5 percent of the standard rate for fiscal year 1991-92 for each RCL, shall be equal to the standard rate for each RCL for the period July 1, 1992, to September 13, 1992, inclusive, and shall be 92.5 percent of the standard rate for each RCL for the period September 14, 1992, to June 30, 1993, inclusive.

(3) The rate floor for each RCL shall be 95 percent of the standard rate for each RCL for the 1993-94 fiscal year. The rate floor shall be equal to the standard rate for each RCL for the 1994-95 fiscal year and beyond.

(f) Except as specified in paragraph (1), the department shall determine the RCL for each group home program on a prospective basis, according to the level of care and services that the group home operator projects will be provided during the period of time for which the rate is being established.

(1) For a group home program for which the department established a rate effective prior to June 30, 1990, that took into account the program’s historical costs, the department shall establish the rate for fiscal year 1990-91 by determining the RCL on a retrospective basis, according to the level of care and services actually provided between July 1 and December 31, 1989, or between July 1, 1989, and March 31, 1990.

(2) Group home programs that fail to maintain at least the level of care and services associated with the RCL upon which their rate was established shall inform the department. The department shall develop regulations specifying procedures to be applied when a group home fails to maintain the level of services projected, including, but not limited to, rate reduction and recovery of overpayments.

(3) The department shall not reduce the rate, establish an overpayment, or take other actions pursuant to paragraph (2) for any period that a group home program maintains the level of care and services associated with the RCL for children actually residing in the facility. Determinations of levels of care and services shall be made in the same way as modifications of overpayments are made pursuant to paragraph (2) of subdivision (b) of Section 11466.2.

(4) Beginning July 1, 1994, for group homes paid at rates below the standard rate established by subdivision (g), a group home program shall remain at its current RCL if it maintains at least the level of care and services associated with that percentage of the points required to be at that RCL that equals the percentage of the standard rate used to establish the group home's rate. In no event, however, shall points per child per month be reduced more than ten points below the minimum required for the current RCL. The RCL for a program shall not increase due to the operation of this paragraph absent any program changes approved by the department pursuant to subdivision (k).

(5) A group home program that substantially changes its staffing pattern from that reported in the group home program statement shall provide notification of this change to all counties that have placed children currently in care. This notification shall be provided whether or not the RCL for the program may change as a result of the change in staffing pattern.

(g) The standardized schedule of rates for fiscal year 1990-91 is:

Rate Classification Level	Point Ranges	FY 1990-91	
		Standard Rate	Rate Floor (85%)
1	Under 60	\$1,183	\$1,006
2	60- 89	1,478	1,256
3	90-119	1,773	1,507
4	120-149	2,067	1,757
5	150-179	2,360	2,006
6	180-209	2,656	2,258
7	210-239	2,950	2,508
8	240-269	3,245	2,758
9	270-299	3,539	3,008
10	300-329	3,834	3,259
11	330-359	4,127	3,508
12	360-389	4,423	3,760
13	390-419	4,720	4,012
14	420 & Up	5,013	4,261

(h) (1) For fiscal year 1990-91, the standardized schedule of rates shall be implemented as follows:

(A) Any group home program which received an AFDC-FC rate in the prior fiscal year below the standard rate for the fiscal year

1990-91 RCL shall receive their 1989-90 rate plus an amount equal to the California Necessities Index (CNI). The rate for fiscal year 1990-91 at which the state will participate shall not exceed the standard rate for the RCL.

(B) If the CNI increase to the group home program's fiscal year 1989-90 rate does not raise the group home program to the rate floor for the RCL, the group home program shall receive a rate equal to the rate floor for the RCL.

(C) A group home program which received an AFDC-FC rate for fiscal year 1989-90 at or above the standard rate for the RCL for fiscal year 1990-91 shall continue to receive that fiscal year 1989-90 rate.

(2) For the 1996-97 and 1997-98 fiscal years, the standardized rate for each RCL shall be adjusted by an amount equal to the California Necessities Index computed pursuant to the methodology described in Section 11453.

(A) Any group home program which received an AFDC-FC rate in the prior fiscal year at or above the adjusted standard rate for the RCL in the current fiscal year shall continue to receive that rate.

(B) A group home program which received an AFDC-FC rate in the prior fiscal year below the standard rate for the RCL in the current fiscal year shall receive that rate adjusted by an amount equal to the CNI. The rate for the current fiscal year shall not exceed the standard rate for the RCL and shall not be less than the rate floor for the RCL.

(3) Beginning with the 1996-97 fiscal year, the standardized schedule of rates shall be adjusted annually by an amount equal to the CNI computed pursuant to Section 11453, subject to the availability of funds.

(A) Any group home program which received an AFDC-FC rate in the prior fiscal year at or above the adjusted standard rate for the RCL in the current fiscal year shall continue to receive that rate.

(B) Any group home program which received an AFDC-FC rate in the prior fiscal year below the adjusted standard rate for the RCL in the current fiscal year shall receive the adjusted RCL rate.

(i) (1) (A) The rate for a new group home program of a new or existing provider shall be established at the rate floor for the new program's projected RCL.

(B) On and after the operative date of this subparagraph, the department shall not, prior to July 1, 1993, establish a rate for a new group home program of a new or existing provider.

(2) The department shall not establish a rate for a new program of a new or existing provider unless the provider submits a recommendation from the host county, the primary placing county, or a regional consortium of counties that the program is needed in that county; that the provider is capable of effectively and efficiently operating the program; and that the provider is willing and able to accept AFDC-FC children for placement who are determined by the placing agency to need the level of care and services that will be provided by the program.

(3) The department shall encourage the establishment of consortia of county placing agencies on a regional basis for the purpose of making decisions and recommendations about the need for, and use of, group home programs and other foster care providers within the regions.

(4) The department shall annually conduct a county-by-county survey to determine the unmet placement needs of children placed pursuant to Sections 300 and Section 601 or 602, and shall publish its findings by November 1 of each year.

(j) The department shall develop regulations specifying ratesetting procedures for program expansions, reductions, or modifications, including increases or decreases in licensed capacity, or increases or decreases in level of care or services.

(k) (1) For the purpose of this subdivision, "program change" means any alteration to an existing group home program planned by a provider that will increase the RCL or AFDC-FC rate. An increase in the licensed capacity or other alteration to an existing group home program that does not increase the RCL or AFDC-FC rate shall not constitute a program change.

(2) (A) Prior to July 1, 1993, the rate for a group home program shall not increase, as the result of a program change, from the rate established for the program effective June 30, 1992. For rate increases as a result of a program change which became effective between July 1, 1992, and the effective date of this paragraph, the department shall adjust rates downward as necessary to comply with this chapter. Notwithstanding any other provisions of law, a group home provider shall be allowed to change a group home program to reflect a decrease in services due to the provisions of this paragraph.

(B) For the 1993-94 fiscal year, the rate for a group home program shall not increase, as the result of a program change, from the rate established for the program effective July 1, 1993, except as provided in paragraph (3).

(C) For the 1994-95 fiscal year, the rate for a group home program shall not increase, as the result of a program change, from the rate established for the program effective July 1, 1994, except as provided in paragraph (3).

(3) (A) For the 1993-94 fiscal year and the 1994-95 fiscal year, the department shall not establish a rate for a new program of a new or existing provider or approve a program change for an existing provider that either increases the program's RCL or AFDC-FC rate, or increases the licensed capacity of the program as a result of decreases in another program with a lower RCL or lower AFDC-FC rate that is operated by that provider, unless both of the conditions specified in this paragraph are met.

(i) The licensee obtains a letter of recommendation from the host county, primary placing county, or regional consortium of counties regarding the proposed program change or new program.

(ii) The county determines that there is no increased cost to the General Fund.

(B) Notwithstanding subparagraph (A), the department may grant a request for a new program or program change, not to exceed 25 beds, statewide, if (i) the licensee obtains a letter of recommendation from the host county, primary placing county, or regional consortium of counties regarding the proposed program change or new program, and (ii) the new program or program change will result in a reduction of referrals to state hospitals during the 1993-94 fiscal year or the 1994-95 fiscal year.

(l) General unrestricted or undesignated private charitable donations and contributions made to charitable or nonprofit organizations shall not be deducted from the cost of providing services pursuant to this section.

(m) The department shall, by October 1 each year, commencing October 1, 1992, provide the Joint Legislative Budget Committee with a list of any new departmental requirements established during the previous fiscal year concerning the operation of group homes, and of any unusual, industrywide increase in costs associated with the provision of group care which may have significant fiscal impact on providers of group homes care. The committee may, in fiscal year 1993-94 and beyond, use the list to determine whether an appropriation for rate adjustments is needed in the subsequent fiscal year.

(n) This section shall become operative on July 1, 1995.

SEC. 13. Section 11478.51 of the Welfare and Institutions Code is amended to read:

11478.51. (a) The Employment Development Department shall, when requested by the State Department of Social Services, the Franchise Tax Board for purposes of administering Article 5 (commencing with Section 19271) of Chapter 5 of Part 10.2 of Division 2 of the Revenue and Taxation Code, or the Parent Locator Service, compare information collected pursuant to Section 1088.5 of the Unemployment Insurance Code to information provided by the State Department of Social Services or the Franchise Tax Board. When the information collected pursuant to that section concerns any individual about whom information has been provided to the Employment Development Department by the State Department of Social Services, the Franchise Tax Board, or the Parent Locator Service, the Employment Development Department shall transmit the information on that individual to the requesting department for purposes of locating delinquent payors of child support payments or any other person having an obligation to provide support and for purposes of verifying employment of applicants and recipients of aid under this chapter or food stamps under Chapter 10 (commencing with Section 18900) of Part 6.

(b) This section shall become operative April 1, 1993, or when regulations are adopted pursuant to subdivision (d) of Section 1088.5 of the Unemployment Insurance Code, whichever is sooner.

SEC. 14. Section 11486 of the Welfare and Institutions Code is amended to read:

11486. (a) (1) The needs of any individual who is a member of a family applying for, or receiving, aid under this chapter to whom paragraph (2) applies shall not be taken into account in making the determination under Section 11450 with respect to his or her family for the following periods:

(A) For a period of six months upon the first occasion of any offense referred to in paragraph (2).

(B) For a period of 12 months upon the second occasion of any of those offenses referred to in paragraph (2).

(C) Permanently, upon the third occasion of any offense referred to in paragraph (2).

(2) Except as provided in subdivision (b), paragraph (1) shall apply to any individual who is found by a federal or state court, or pursuant to a special administrative hearing meeting the requirements of regulations adopted by the United States Secretary of Health and Human Services, including any determination made on the basis of a plea of guilty or nolo contendere, to have done any of the following acts for the purpose of establishing or maintaining the family's eligibility for aid or increasing, or preventing a reduction in, the amount of that aid:

(A) Making a false or misleading statement or misrepresenting, concealing, or withholding facts.

(B) Committing any act intended to mislead, misrepresent, conceal, or withhold facts or propound a falsity.

(b) (1) Notwithstanding subdivision (a), the needs of any individual who is a member of a family applying for, or receiving, aid under this chapter to whom paragraph (2) applies shall not be taken into account in making the determination under Section 11450 with respect to his or her family for the following periods:

(A) For a period of two years upon the first occasion of any offense referred to in paragraph (2).

(B) For a period of four years upon the second occasion of any offense referred to in paragraph (2).

(C) Permanently, upon the third occasion of any offense referred to in paragraph (2).

(2) Paragraph (1) shall apply to any individual who is found by a federal or state court, or pursuant to a special administrative hearing meeting the requirements of regulations adopted by the United States Secretary of Health and Human Services, including any determination made on the basis of a plea of guilty or nolo contendere, to have done any of the following acts for the purpose of establishing or maintaining the family's eligibility for aid or increasing, or preventing a reduction in, the amount of that aid:

(A) Submitting more than one application for the same type of aid for the same period of time, for the purpose of receiving more than one grant of aid.

(B) Submitting documents for nonexistent children, or submitting false documents for the purpose of showing ineligible children to be eligible for aid.

(3) This subdivision shall become operative on the date that, and only if, the director has executed a declaration, that shall be retained by the director, stating that any federal waivers necessary for the implementation of this subdivision have been obtained. This subdivision shall remain operative only so long as the waivers are effective.

(c) Proceedings against any individual alleged to have committed an offense described in subdivision (a) or (b) may be held either by hearing, pursuant to Section 10950 and in conformity with the regulations of the United States Secretary of Health and Human Services, if appropriate, or by referring the matter to the appropriate authorities for civil or criminal action in court.

(d) The department shall coordinate any action taken under this section with any corresponding actions being taken under the Food Stamp Program in any case where the factual issues involved arise from the same or related circumstances.

(e) Any period for which sanctions are imposed under this section shall remain in effect, without possibility of administrative stay, unless and until the findings upon which the sanctions were imposed are subsequently reversed by a court of appropriate jurisdiction, but in no event shall the duration of the period for which the sanctions are imposed be subject to review.

(f) Sanctions imposed under this section shall be in addition to, and not in substitution for, any other sanctions which may be provided for by law with respect to the offenses for which the sanctions are imposed.

(g) The department shall adopt regulations to ensure that any investigations made under this chapter are conducted throughout the state in such a manner as to protect the confidentiality of the current or former working recipient.

SEC. 15. Section 11501.5 is added to the Welfare and Institutions Code, to read:

11501.5. (a) Families who, because of marriage or because separated spouses reunite, lose eligibility under this chapter because the family either no longer meets the need requirement specified in Section 11250 or has increased assets or income, or both, shall be eligible for transitional child care benefits as specified under Section 11501.

(b) This section shall not be implemented until the director has executed a declaration, that shall be retained by the director, that any necessary waivers and federal financial participation have been obtained.

SEC. 16. Section 12200.017 is added to the Welfare and Institutions Code, to read:

12200.017. (a) Notwithstanding any other provision of law, the maximum aid payments in effect on June 30, 1994, in accordance with Section 12200, as reduced by subdivision (a) of Section 12200.01 and Section 12200.015, except subdivisions (e), (g), and (h) of Section 12200, shall be reduced by 2.3 percent effective September 1, 1994.

(b) Notwithstanding subdivision (a), in no event shall any maximum aid payment schedule in any payment category established pursuant to Section 12200 be reduced below the level required by the federal Social Security Act in order to maintain eligibility for federal funding under Title XIX of the federal Social Security Act, contained in Subchapter 19 (commencing with Section 1396) of Chapter 7 of Title 42 of the United States Code.

(c) In no event shall the reduction of any maximum aid payment level pursuant to this section result in a change in share of cost or eligibility for services under Article 7 (commencing with Section 12300) for any aged, blind, or disabled person who was receiving services under that article in 1994 prior to the enactment of this section because of that reduction in maximum aid payment, provided he or she continues to meet other applicable requirements.

(d) The decrease in aid provided for pursuant to this section shall not prevent the increases in aid that shall occur on July 1, 1996, pursuant to Sections 12200.01 and 12200.015.

SEC. 17. Section 14005.85 is added to the Welfare and Institutions Code, to read:

14005.85. (a) Families who, because of marriage or because separated spouses reunite, lose AFDC eligibility under the chapter because the family no longer meets the need requirement specified in Section 11250 or has increased assets or income, or both, shall be eligible for extended medical benefits as specified under Section 14005.8.

(b) The department shall seek all federal waivers necessary to implement this section.

(c) This section shall not be implemented until the director has executed a declaration, that shall be retained by the director, that any necessary waivers and federal financial participation have been obtained.

SEC. 18. Section 14011.3 is added to the Welfare and Institutions Code, to read:

14011.3. (a) To the same extent as required by federal law, an alien whose entry into the United States has been sponsored by an individual who, or organization that, executed an affidavit of support or similar agreement with respect to the alien shall be ineligible for the Medi-Cal program for a period of five years after the alien's entry into the United States unless the sponsoring person dies or the sponsoring organization ceases to exist.

(b) Subdivision (a) shall not apply with respect to any alien who is:

(1) Admitted to the United States as a result of the application, prior to April 1, 1980, of Section 1153(a) (7) of Title 8 of the United States Code.

(2) Admitted to the United States as a result of the application, after March 31, 1980, of Section 1157(c) of Title 8 of the United States Code.

(3) Paroled into the United States under Section 1182(d) (5) of

Title 8 of the United States Code.

(4) Granted political asylum by the United States Attorney General under Section 1158 of Title 8 of the United States Code.

(5) A Cuban or Haitian entrant, as defined in Section 501 (e) of the Refugee Education Assistance Act of 1980 (Public Law 96-422).

(c) This section shall become operative on the effective date of federal law that prohibits providing Medi-Cal assistance to sponsored aliens, as defined in subdivision (a), and shall remain operative only as long as federal law remains in effect. The director shall determine the operative dates of this section pursuant to this subdivision and shall execute a declaration, that shall be retained by the director, that sets forth the operative date or termination date.

SEC. 19. Section 15204.2 of the Welfare and Institutions Code is amended to read:

15204.2. The state shall pay 70 percent of the nonfederal administrative costs of administering AFDC grants subject to Sections 15204.5 and 15204.6, but not including activities related to the collection of support from noncustodial parents and the determination of paternity in the case of a child born out of wedlock. In the event that the federal government does not provide funding for the non-AFDC collection of child support from noncustodial parents and the non-AFDC determination of paternity in the case of a child born out of wedlock, the state shall pay 75 percent of the non-AFDC administrative costs. The state shall pay 70 percent of the nonfederal share of the cost of eligibility and nonservice staff development pursuant to the regulations of the department. The state shall pay 85 percent of the nonfederal share of the costs of AFDC fraud investigation subject to Section 15204.5.

SEC. 20. Section 16525.10 of the Welfare and Institutions Code is amended to read:

16525.10. (a) The department shall conduct the demonstration project described in Chapter 1385 of the Statutes of 1989, which shall conform to the requirements set forth in this chapter, and that shall be integrated with the foster care program authorized by Article 5 (commencing with Section 11400) of Chapter 2 of Part 3, and child welfare services programs authorized by Chapter 5 (commencing with Section 16500).

(b) (1) This demonstration project shall be conducted in four counties, as requested by each participating county, pursuant to procedures established by the department. The demonstration project in these counties, to be known as Phase I counties, shall continue until June 30, 1995, if funds are appropriated for that purpose in the Budget Act of 1994.

(2) Additional project sites, encompassing six counties, known as Phase II counties, implemented during the 1991-92 fiscal year, shall have their projects funded until June 30, 1995. Local assistance and state support costs for Phase II projects shall be provided to the department through an interagency reimbursement from the State Department of Alcohol and Drug Programs.

(c) In Phase I, the department shall conduct demonstration projects pursuant to this chapter in the County of Alameda, the County of Sacramento, and the County of San Diego, and with the County of Los Angeles, for the south central region and the harbor region of that county.

SEC. 21. Section 16525.40 of the Welfare and Institutions Code is amended to read:

16525.40. This chapter shall remain in effect only until January 1, 1996, and as of that date is repealed, unless a later enacted statute, which is enacted before January 1, 1996, deletes or extends that date.

SEC. 22. Section 17001.8 is added to the Welfare and Institutions Code, to read:

17001.8. (a) In adopting standards of aid for general assistance for the indigent and dependent poor of the county or city and county, the board of supervisors or the agency authorized by the county charter may determine, with regard to any alien whose entry into the United States has been sponsored by an individual who, or an organization which, executed an affidavit of support or similar agreement with respect to the alien and who has become ineligible for assistance pursuant to Section 11008.135, that the alien is ineligible for aid for a period of five years after the alien's entry into the United States, unless (1) the alien is a minor and the sponsor, or the sponsor's spouse, is the parent of the alien child or (2) the sponsoring person dies or the sponsoring organization ceases to exist.

(b) This section shall not apply with respect to any alien who is:

(1) Admitted to the United States as a result of the application, prior to April 1, 1980, of the provisions of Section 1153 (c) of Title 8 of the United States Code.

(2) Admitted to the United States as a result of the application, after March 31, 1980, of Section 1157 (c) of Title 8 of the United States Code.

(3) Paroled into the United States under Section 1182(d) (5) of Title 8 of the United States Code.

(4) Granted political asylum by the United States Attorney General under Section 1158 of Title 8 of the United States Code.

(5) A Cuban or Haitian entrant, as defined in Section 501 (e) of the Refugee Education Assistance Act of 1980 (Public Law 96-422).

(c) This section shall become operative on the effective date of federal law that prohibits providing assistance to sponsored aliens, and shall remain operative only as long as that federal law remains in effect. The Director of Social Services shall determine the operative dates of this section pursuant to this subdivision and shall execute a declaration, that shall be retained by the director, that sets forth the operative date or termination date.

SEC. 23. Section 17001.9 is added to the Welfare and Institutions Code, to read:

17001.9. (a) Notwithstanding any other provision of this part:

(1) As a condition of providing nonemergency medical care to an indigent and dependent adult resident of the county, other than an

involuntary detainee or prisoner, who is a sponsored alien, a county may require that the legal sponsor of the alien sign a written agreement to repay any aid provided to the alien during the period of time during which the sponsor has agreed, in writing, to provide for the alien.

(2) To the extent not inconsistent with federal law, if a county has provided emergency medical care to an indigent and dependent adult resident of the county, other than an involuntary detainee or prisoner, who is a sponsored alien, and that care was provided during the period during which the sponsor has agreed, in writing, to provide for the alien, the county may recover the reasonable cost of that care from the sponsor of that alien. If the county is required to take legal action to enforce this right to recovery, the written promise to provide for the alien shall be considered, under state law, to be the equivalent of a written contract to pay for that medical care.

(3) No county shall be required to provide medical care to any sponsored alien who is eligible, with or without a share of cost, for participation in the California Medical Assistance (Medi-Cal) program.

(b) This section shall not apply if the sponsoring person dies or the sponsoring organization ceases to exist.

(c) This section shall not apply with respect to any alien who is:

(1) Admitted to the United States as a result of the application, prior to April 1, 1980, of the provisions of Section 1153 (c) of Title 8 of the United States Code.

(2) Admitted to the United States as a result of the application, after March 31, 1980, of Section 1157 (c) of Title 8 of the United States Code.

(3) Paroled into the United States under Section 1182(d) (5) of Title 8 of the United States Code.

(4) Granted political asylum by the United States Attorney General under Section 1158 of Title 8 of the United States Code.

(5) A Cuban or Haitian entrant, as defined in Section 501 (e) of the Refugee Education Assistance Act of 1980 (Public Law 96-422).

(6) A minor and the sponsor or the sponsor's spouse is the parent of the alien child.

(d) This section shall become operative on the effective date of federal law that prohibits providing Medi-Cal assistance to sponsored aliens, and shall remain operative only as long as federal law remains in effect. The Director of Health Services shall determine the operative dates of this section pursuant to this subdivision and shall execute a declaration, that shall be retained by the director, that sets forth the operative date or termination date.

SEC. 24. Section 18906.5 of the Welfare and Institutions Code is amended to read:

18906.5. (a) The state shall pay 70 percent of the nonfederal costs of administering the Food Stamp Program, subject to the provisions of Section 18906 and 18906.7. The counties shall pay the remaining

share of the nonfederal costs.

(b) The state shall pay 85 percent of the nonfederal share of the costs of AFDC fraud investigation subject to Section 15204.5. The counties shall pay the remaining share of the nonfederal costs.

SEC. 25. Section 19806 of the Welfare and Institutions Code is amended to read:

19806. (a) For each fiscal year commencing with the 1984-85 fiscal year, an independent living center shall not be required to provide any matching funds through private contributions as a condition of receiving state funds except to acquire state incentive funds. An independent living center whose allocation of funds pursuant to this chapter, excluding state incentive funds, is less than one hundred fifty thousand dollars (\$150,000) shall, to the extent funds are appropriated by the Legislature and allocated in accordance with regulations adopted by the department, receive, during the 1984-85 fiscal year, an amount of state funds pursuant to this section, in an amount equal to 50 percent of the difference between one hundred fifty thousand dollars (\$150,000) and the independent living center's allocation under this chapter. During the 1985-86 fiscal year, and each fiscal year thereafter, until the 1994-95 fiscal year, each independent living center shall receive, to the extent funds are appropriated by the Legislature and allocated in accordance with regulations adopted by the department, except for state incentive funds, at least one hundred fifty thousand (\$150,000) in funds allocated under this chapter. Beginning with the 1994-95 fiscal year, and each fiscal year thereafter, each independent living center shall receive, to the extent funds are appropriated by the Legislature and allocated in accordance with regulations adopted by the department, excluding state incentive funds, at least one hundred seventy-five thousand dollars (\$175,000) in funds allocated under this chapter. However, beginning with the 1994-95 fiscal year, and for each fiscal year thereafter, state funds may be replaced by reimbursements under the Supplemental Security Disability Insurance and the Supplemental Security Income programs provided for under Titles II and XVII of the Federal Social Security Act, Subchapter II (commencing with Section 401) and Subchapter XVII (commencing with Section 1381) of Chapter 7 of Title 42 of the United States Code to the extent appropriated by the Legislature and allocated by the department to independent living centers under this chapter. Beginning with the 1995-96 fiscal year, and each year thereafter, to the extent such funds from the Social Security Act are not appropriated by the Legislature as were appropriated in the 1994-95 fiscal year, an amount equal to the combined state and federal fund allocation to independent living centers in the Budget Act of 1994 shall be appropriated to, and allocated by, the department to independent living centers under this chapter.

(b) (1) In addition to funds received pursuant to subdivision (a), and subject to the limitations of subdivision (c), to the extent funds are appropriated by the Legislature, and allocated in accordance

with regulations adopted by the department, each independent living center shall have the amount of its private contributions which, for any fiscal year, exceeds the amount of private contributions received by the independent living center during the 1982-83 fiscal year matched by state incentive funds on the basis of one dollar (\$1) in state incentive funds for each one dollar (\$1) received in private contributions.

(2) Available state incentive funds shall be allocated during each fiscal year based upon the private contributions received by the independent living center in the immediately preceding fiscal year.

(3) For the purpose of determining eligibility for state incentive funds, any independent living center that uses a fiscal year other than the state fiscal year may elect to use a different fiscal year so long as the closing date of the fiscal year so elected does not precede the closing date of the equivalent state fiscal year by more than 11 months.

(4) The amount of private contributions claimed by an independent living center for each fiscal year, including the 1982-83 fiscal year, shall be verified by the department by utilizing appropriate financial records including, but not limited to, independent audits. Audits may be performed by the department up to three years from the close of the fiscal year during which state incentive funds were received by the independent living center being audited.

(c) The maximum amount of incentive funds as defined in subdivision (d) that may be acquired by any independent living center in any single fiscal year shall be computed as follows:

(1) Each independent living center funded under Section 19803 shall be entitled to acquire state incentive funds as specified in subdivision (b) in an amount not to exceed the total available state incentive funds, divided by the number of independent living centers then funded under Section 19803.

(2) Incentive funds remaining after the initial allocation pursuant to paragraph (1) shall be allocated among centers with remaining unmatched private contributions. Each center with remaining unmatched private contributions shall be allowed to match remaining incentive funds in an amount equal to the total remaining incentive funds divided by the number of centers with remaining private contributions. Subsequent distributions shall be made pursuant to the formula described in the preceding sentence and shall be repeated as many times as is necessary to allocate incentive funds to the greatest extent possible.

(3) State incentive funds not distributed to independent living centers under paragraph (1) or (2) shall not be allocated under Section 19803 nor retained by the department for distribution as state incentive funds in later fiscal years.

(d) For purposes of this section:

(1) "Private funds" does not include any funds originating from any entity of the federal, state, city, or county government or any

political subdivision thereof.

(2) "State incentive funds" means state funds appropriated by the Legislature for purposes of this chapter, except those funds allocated by the department pursuant to Section 19803 and subdivision (a) of this section.

(e) Any funds allocated under this chapter to any independent living center, other than as part of the initial allocation for each fiscal year, shall be made by contract amendment. Any such contract amendment shall require the provision of services in addition to that required by the contract being amended. All such services required by contract amendment shall not be performed prior to the date the contract amendment is approved by the state.

SEC. 26. On or before February 1, 1995, the State Department of Social Services shall submit to the budget committees and the appropriate policy committees of the Legislature a report that includes specification of both of the following:

(a) The federal requirements that would need to be met in order to vary, by regions within the state, modifications made to the maximum aid payments provided for in Section 11450.017 of the Welfare and Institutions Code.

(b) The data that would need to be provided by the state in order to meet these federal requirements.

SEC. 27. Except where otherwise specified in this act, any provision of this act requiring a federal waiver or federal approval shall become operative on the first day of the month immediately following the month in which this act is enacted, or the effective date of approvals by the Secretary of the United States Department of Health and Human Services or the Secretary of the United States Department of Agriculture, as appropriate, necessary to implement that provision, whichever is later, and shall remain operative only so long as the waiver or federal approval is in effect and federal financial participation is available. The director of the state agency seeking to obtain the federal waiver or approval necessary for implementation of any provision of this act to which this section applies shall determine the operative date of any provision of this act to which this section applies, and shall execute a declaration, that shall be retained by the director, that sets forth the operative date or termination date.

SEC. 28. The State Department of Health Services and the State Department of Social Services may adopt emergency regulations to implement the applicable provisions of this act in accordance with the Administrative Procedure Act, Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code. The initial adoption of emergency regulations and one re-adoption of the initial regulation shall be deemed to be an emergency and necessary for the immediate preservation of the public peace, health and safety, or general welfare. Initial emergency regulations and the first re-adoption of those regulations shall be exempt from review by the Office of Administrative Law. The

emergency regulations authorized by this section shall be submitted to the Office of Administrative Law for filing with the Secretary of State and publication in the California Code of Regulations and shall remain in effect for no more than 180 days.

SEC. 29. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the Legislature finds and declares that there are savings as well as costs in this act which, in the aggregate, do not result in additional net costs. Notwithstanding Section 17580 of the Government Code, unless otherwise specified in this act, the provisions of this act shall become operative on the same date that the act takes effect pursuant to the California Constitution.

SEC. 30. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order that changes in public social service programs necessary for implementation of the Budget Act of 1994 will be in effect during the entire 1994-95 fiscal year, it is necessary that this act take effect immediately.

CHAPTER 149

An act to amend Sections 205, 7211, and 7217 of, and to add Section 7200.7 to, the Business and Professions Code, relating to guide dogs for the blind, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 9, 1994. Filed with
Secretary of State July 11, 1994.]

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

SECTION 1. Section 205 of the Business and Professions Code is amended to read:

205. There is in the State Treasury the Professions and Vocations Fund. The fund shall consist of the following special funds:

Accountancy Fund.

California Board of Architectural Examiners' Fund.

Athletic Commission Fund.

State Board of Barbering and Cosmetology Fund.

Cemetery Fund.

Contractors' License Fund.

State Dentistry Fund.

State Funeral Directors and Embalmers' Fund.

Guide Dogs for the Blind Fund.

Bureau of Home Furnishings and Thermal Insulation Fund.

State Board of Landscape Architects' Fund.

Contingent Fund of the Board of Medical Examiners.
 Board of Nurse Examiners' Fund.
 State Optometry Fund.
 Pharmacy Board Contingent Fund.
 Physical Therapy Fund.
 Private Investigator Fund.
 Professional Engineers' and Land Surveyors' Fund.
 Consumer Affairs Fund.
 Behavioral Science Examiners Fund.
 Court Reporters' Fund.
 Structural Pest Control Fund.
 Board of Veterinary Examiners' Contingent Fund.
 Vocational Nurse Examiners' Fund.
 State Dental Auxiliary Fund.
 Electronic and Appliance Repair Fund.
 Geology and Geophysics Fund.
 Dispensing Opticians Fund.
 Acupuncture Fund.
 Hearing Aid Dispensers Fund.
 Physician Assistant Fund.
 Board of Podiatric Medicine Fund.
 Psychology Fund.
 Respiratory Care Fund.
 Speech-Language Pathology and Audiology Fund.
 Pharmacy Board Contingent Fund.
 Board of Registered Nursing Fund.
 Nursing Home Administrator's State License Examining Board
 Fund.
 Vocational Nurse and Psychiatric Technician Examiners Fund.
 Animal Health Technician Examining Committee Fund.
 Tax Preparers Fund.

For accounting and recordkeeping purposes, the Professions and Vocations Fund shall be deemed to be a single special fund, and each of the several special funds therein shall constitute and be deemed to be a separate account in the Professions and Vocations Fund. Each account or fund shall be available for expenditure only for the purposes as are now or may hereafter be provided by law.

SEC. 2. Section 7200.7 is added to the Business and Professions Code, to read:

7200.7. A fee equal to 0.004 of all school expenses incurred in the most recently concluded school calendar year, as specified in the audit required under Section 7217, shall be paid for renewal of a school's license pursuant to Section 7200.5. All fees collected pursuant to this section shall be deposited into the Guide Dogs for the Blind Fund, which is hereby created.

SEC. 3. Section 7211 of the Business and Professions Code is amended to read:

7211. (a) Each applicant for an instructor's license shall file an application with the secretary of the board at least 10 days before the

date fixed for examination, and shall pay to the secretary at the time of filing an application the sum of two hundred fifty dollars (\$250). No license shall be granted until the applicant has satisfactorily completed the examination prescribed by the board and has shown that he or she is equipped by a school or by equivalent facilities satisfactory to the board. An annual fee of one hundred dollars (\$100) shall be required for the renewal of a license.

(b) All fees received under this chapter shall be deposited in the Guide Dogs for the Blind Fund.

SEC. 4. Section 7217 of the Business and Professions Code is amended to read:

7217. (a) Within 60 days after the end of a calendar year or after the termination of the fiscal year of a school, there shall be furnished to the board the following:

(1) A list of students accepted for training and those who have completed training.

(2) A list of the number of dogs trained.

(b) Within 180 days after the end of a calendar year, there shall be furnished to the board an independent audit of the school's finances by a certified public accountant licensed by this state.

SEC. 5. The sum of forty-three thousand dollars (\$43,000) is appropriated from the Guide Dogs for the Blind Fund for support of the State Board of Guide Dogs for the Blind for the 1994-95 fiscal year.

SEC. 6. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to effect the purposes of this act at the earliest possible time, it is necessary that this act take effect immediately.

CHAPTER 150

An act to amend Sections 18711, 18800, 18882, and 18888 of, and to add and repeal Section 117 of, the Business and Professions Code, and to add Section 11011.21 to the Government Code, relating to government operations, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 9, 1994. Filed with
Secretary of State July 11, 1994.]

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

SECTION 1. Section 117 of the Business and Professions Code as added by this act shall become inoperative if the Director of the Department of Consumer Affairs fails to provide to the Chair of the Joint Legislative Budget Committee, on or before the time specified,

any of the following:

(a) By July 15, 1994, a strategic plan and criteria by which to measure performance.

(b) By November 1, 1994, a report relating to criteria used to measure baseline performance.

(c) By March 1, 1995, a report on performance targets.

(d) By May 31, 1995, a project implementation status report.

SEC. 2. Section 117 is added to the Business and Professions Code, to read:

117. (a) This section shall remain in effect only until June 30, 1995, and as of that date is repealed.

(b) Notwithstanding the provisions of Sections 18800 to 18807, inclusive, Sections 19818 to 19818.21, inclusive, and Sections 19889 to 19889.4, inclusive, of the Government Code, the Director of the Department of Consumer Affairs shall have full authority and discretion to classify positions in departmental specific established classifications, apply established allocations standards, and prepare and submit calendar items to the State Personnel Board to propose establishment of, or revision to, departmental specific classification specifications. In addition, the Department of Personnel Administration shall provide an expedited review of 10 working days for all reclassification requests for servicewide classifications submitted by the Department of Consumer Affairs.

The provisions of this section shall apply only to civil service classifications and positions within the director's appointing authority. The director shall ensure that the authority and discretion authorized by this section is consistent with the merit principles as embodied in Article VII of the California Constitution and the Civil Service Act of 1934 (Part 1 (commencing with Section 18000) of Division 5 of Title 2 of the Government Code), and is in conformance with the requirements of the Ralph C. Dills Act (Chapter 10.3 (commencing with Section 3512) of Division 4 of Title 1 of the Government Code).

(c) Notwithstanding any other provision of law, the director, or his or her designee, in lieu of the Director of Finance, is authorized to carry out the provisions of Sections 6.50 and 31 of the Budget Act of 1994 as they relate to the positions funded by Item 1111-010-702 of that act. Notwithstanding any other provision of law, the director, or his or her designee, in lieu of the Director of Finance, is authorized to approve budget revisions related to Item 1111-010-702 of the Budget Act of 1994.

(d) Notwithstanding Sections 2050 to 2057, inclusive, Sections 10115 to 10115.13, inclusive, and Sections 10290 to 10382, inclusive, of the Public Contract Code, and Section 14669 and Sections 14740 to 14880, inclusive, of the Government Code, the director, or his or her designee, in lieu of the Director of General Services, shall have full authority and discretion to execute all contracts, procure all goods and services, negotiate lease agreements for office, warehouse, and other appropriate facilities, and determine appropriate methods to

store and retrieve departmental records related to the bureaus, programs, and divisions under the director's appointing authority.

Except as provided in this subdivision, the director shall use the authority granted in this subdivision to implement alternative approaches, procedures, and methods, in lieu of the guidelines and procedures contained in the State Administrative Manual and in other state-issued guidelines, to carry out the provisions of the sections of the Public Contract Code and the Government Code cited in this section.

This authority granted by this subdivision shall not affect any of the following:

(1) The department's continued use of the state's private line voice network (CALNET).

(2) The Department of General Services' continued responsibility and authority for the consolidation of the department's offices in the Sacramento area.

(3) The requirement that the department obtain the written approval of the Secretary of the State and Consumer Services Agency for any leasing of offices that may affect the Los Angeles Basin and San Francisco Area Consolidation Plans.

All reports to the Legislature required in the sections cited in this section shall be made by the director in the same form and manner as currently reported by the Department of General Services.

(e) Notwithstanding Sections 12100 to 12121, inclusive, of the Public Contract Code, the director, or his or her designee, shall have full authority and discretion for the procurement of electronic data processing and telecommunications goods and services related to the bureaus, programs, and divisions under the director's appointing authority, that do not exceed one million dollars (\$1,000,000) per procurement.

(f) Notwithstanding Sections 14850 to 14855, inclusive, of the Government Code, the director, or his or her designee, shall have full authority and discretion to execute contracts and procure printing services, or both, that are timely and cost-beneficial to the bureaus, programs, and divisions under the director's appointing authority.

(g) Notwithstanding Section 2807 of the Penal Code, the director, or his or her designee, shall have full authority to procure goods and services from the private sector, even though these goods and services may be available through the Prison Industries Authority, when in his or her discretion it is more cost-beneficial to the bureaus, programs, and divisions under the director's appointing authority.

(h) Notwithstanding any other provision of law, the director, in conjunction with the Director of General Services, shall establish a pilot program to explore the feasibility of prequalifying minority, women, and disabled veteran-owned small business enterprises, and prepaying these vendors when it is cost-beneficial to the department. The department shall report semiannually to the Joint Legislative Budget Committee and the fiscal committees of the Legislature on this prequalification and prepayment pilot project.

The department, at a minimum, shall report any efficiencies experienced, and any losses incurred due to the prepayment of vendors.

(i) The department's affirmative action program is designed to ensure the maintenance of a fair personnel system that provides equal opportunities for all people to compete at all levels of its work force, regardless of race, color, national origin, religion, sex, sexual orientation, marital status, age, or disability. "Affirmative action" means a set of specific, results-oriented procedures that may include, but are not limited to, recruitment, hiring, appointment, work assignment, promotion, treatment during employment, pay, selection for training, discipline, or termination. The affirmative action program is also designed to achieve a civil service work force that is fully representative of the state's labor force.

(j) All reports to the Legislature required in the sections cited in this section shall be made by the director in the same form and manner as currently reported by the otherwise appropriate agency.

SEC. 3. Any moneys in the Athletic Commission Fund as of June 30, 1994, shall be distributed on July 1, 1994, as follows:

(a) Moneys collected pursuant to Section 18800 of the Business and Professions Code, less moneys collected pursuant to Sections 18711, 18882, and 18888 of the Business and Professions Code, shall be transferred by the Controller to the General Fund.

(b) Moneys collected pursuant to Section 18711 of the Business and Professions Code shall be transferred by the Controller to the Boxers' Neurological Examination Account.

(c) Moneys collected pursuant to Section 18882 of the Business and Professions Code shall be transferred by the Controller to the Boxers' Pension Account.

(d) Moneys collected pursuant to Section 18888 of the Business and Professions Code shall be transferred by the Controller to the Disability Insurance Account.

SEC. 4. Section 18711 of the Business and Professions Code is amended to read:

18711. (a) The commission shall require, as a condition of licensure and as a part of the application process, the examination by a licensed physician and surgeon who specializes in neurology and neurosurgery of each applicant for a license as a professional boxer or, if for the renewal of a license, this examination every year if the boxer has boxed within the preceding year, in addition to any other medical examinations. The physician may recommend any additional tests he or she deems necessary. On the basis of that examination and any additional tests that are conducted, the physician may recommend to the commission whether the applicant may be permitted to be licensed in California or not. The executive officer shall review these recommendations and report any denials of licensure. If, as a result of these recommendations, the executive officer refuses to grant the applicant a license, the applicant shall not box in California until the denial has been overruled by the

commission as provided in this chapter.

(b) In the event that an applicant for licensure as a professional boxer undergoes a neurological examination for purposes of licensure within the 120-day period immediately preceding the normal expiration of that license the applicant shall not be required to undergo an additional neurological examination within the following calendar year unless the commission, for cause, orders that the examination be taken. The commission shall notify all commission approved physicians and referees that the commission has the authority to order any professional boxer to undergo a neurological examination.

(c) The cost of the examinations required by this section shall be paid from assessments on promoters of professional boxing matches and by managers and professional boxers in California. The rate of assessment shall be set by the commission, without the requirement of adoption of regulations, and shall cover all costs associated with the requirements of this section. This assessment shall be imposed on all professional boxing matches which occur on and after January 1, 1986. As of July 1, 1994, all moneys received by the commission pursuant to this section shall be deposited in and credited to the Boxers' Neurological Examination Account which is hereby created in the General Fund. For the 1994-95 fiscal year, the Controller shall transfer moneys from the Boxers' Neurological Examination Account to the General Fund in an amount that is equal to the amount expended from Item 1140-001-001 of the 1994-95 Budget Act for the administration and provision of neurological exams as required pursuant to this section.

SEC. 5. Section 18800 of the Business and Professions Code is amended to read:

18800. (a) As of July 1, 1994, all moneys received by the commission under the provisions of this chapter shall be accounted for and reported by detailed statements furnished by the commission to the Controller at least once a month, and at the same time, such moneys shall be remitted to the Treasurer and shall be deposited in the General Fund.

(b) All moneys deposited in the General Fund pursuant to Section 18800 which have been received by the commission pursuant to Sections 18882 and 18888, are hereby continuously appropriated as follows:

(1) Moneys in the Boxers' Pension Account for purposes of the pension plan established under Section 18881.

(2) Moneys in the Disability Insurance Program Account for purposes of the disability insurance program established under Section 18887.

SEC. 6. Section 18882 of the Business and Professions Code is amended to read:

18882. (a) At the time of payment of the fee required by Section 18824, a promoter shall pay to the commission all amounts scheduled for contribution to the pension plan. At the time of payment of any

purse to the boxer and his or her manager, the inspector or other duly authorized representative of the commission shall withhold their contributions to the pension plan.

(b) All contributions from professional boxers, managers, and promoters to finance the pension plan shall be deposited in and credited to the Boxers' Pension Account, which is hereby created in the General Fund. The money in the Boxers' Pension Account shall be used exclusively for the purposes and administration of the pension plan.

(c) Except as otherwise provided in this subdivision, the commission or its designee shall invest the money contained in the Boxers' Pension Account as other state funds are invested. The commission or its designee may also invest money from such account in group annuity contracts.

SEC. 7. Section 18888 of the Business and Professions Code is amended to read:

18888. (a) All contributions from professional boxers, managers, and promoters to finance the disability insurance program may be deposited in and credited to the Disability Insurance Account, which is hereby created in the General Fund. The money in the Disability Insurance Account shall be used exclusively for the purposes and administration of the disability insurance program.

(b) Contributions to the disability insurance program shall be collected and invested by the commission as provided in Section 18881.

SEC. 8. Section 11011.21 is added to the Government Code, to read:

11011.21. In addition to surplus property otherwise identified pursuant to this article, the Department of General Services, prior to January 1, 1995, shall identify state-owned real property that is or will be unused or underutilized by the landholding agency both at present and in the foreseeable future. Properties identified through this process shall be compiled into a list that shall be known as Surplus Property Inventory. Properties identified in the Surplus Property Inventory shall be available for sale, lease, or exchange to state agencies, local government entities, and the public.

Commencing with the 1995-96 fiscal year, the Department of General Services shall sell, lease, or exchange annually, at fair market value, not less than 10 percent of the real property on the Surplus Property Inventory, the proceeds from the sale of which is required to be deposited into the General Fund. The Department of General Services shall prepare a plan for, and submit a report to, the Legislature regarding, the sale of these properties by January 1, 1995.

State agencies, when purchasing real property, shall review the state Surplus Property Inventory and purchase, lease, or trade property on that list if possible, prior to purchasing property not on the Surplus Property Inventory.

The Department of General Services shall compile information regarding activity with regard to property listed on the Surplus

Property Inventory related to the disposition of that real property and shall report to the Legislature annually by January 1 of each year.

SEC. 9. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to make necessary changes in specific state government operations so that the Budget Act of 1994 may be implemented, it is necessary that this act take effect immediately.

CHAPTER 151

An act to add Section 8654.1 to the Government Code, relating to natural disasters, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 9, 1994. Filed with
Secretary of State July 11, 1994.]

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

SECTION 1. Section 8654.1 is added to the Government Code, to read:

8654.1. (a) The Legislature finds and declares that financial assistance is essential to meet disaster-related necessary expenses of the state and local governments and the serious needs of individuals or families affected by the Northridge earthquake which occurred January 17, 1994. The Legislature further finds and declares that the federal government will advance to the state, and will authorize local entities to advance from specified federal funds made available to them, the nonfederal share of the costs of this financial assistance.

(b) In order to implement the advance of the nonfederal share from federal funds, in accordance with subdivision (a), the Director of Finance may enter into agreements for the acceptance of these advances, subject to the following:

(1) Funds may be obtained directly from agencies of the federal government or from funds provided to local agencies by the federal government.

(2) Advances may be accepted beginning in the 1994–95 fiscal year, and in no event later than the 1997–98 fiscal year.

(3) The cumulative amount of advances accepted shall not exceed three hundred million dollars (\$300,000,000), unless additional amounts are authorized subject to the 30-day notification of the Joint Legislative Budget Committee under Section 28 of the 1994 Budget Act and any substantially similar provision of subsequent budget acts. The state shall accept as advances only so much as may be needed to pay the expenses incurred herein and as may be repaid, consistent with this section, in a short period of time, having due regard for the

current financial obligations of the state.

(4) Funds received by the state shall be deposited in the Special Deposit Fund, subject to Article 2 (commencing with Section 16370) of Chapter 2 of Part 2 of Division 4, and may be expended, allocated, or transferred, upon order of the Department of Finance, only to meet the nonfederal share of disaster assistance costs incurred by state or local agencies as a result of the Northridge earthquake.

(5) Funds received under this section, together with interest at a rate agreed upon by the state and federal or local agencies involved, shall be repaid, upon order of the Director of Finance, to the federal government or advancing local agency, from the General Fund as soon as the state is able to do so, but in no event shall any advance remain outstanding after July 31, 1997. The state shall repay no less than one-third of the funds advanced in each of the 1995-96, 1996-97 and 1997-98 fiscal years.

(c) The Department of Finance shall report in writing to the Chair of the Joint Legislative Budget Committee and the chairs of the fiscal committees of both houses of the Legislature at the end of each month regarding any allocations of funds pursuant to this section. This report shall identify each recipient, the total amount of funds received for the reporting period, the total amount of funds received to date from this nonfederal share advance, and the purpose or purposes for the allocation.

SEC. 2. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to receive financial assistance from the federal government as soon as possible to alleviate the ongoing fiscal crisis, it is necessary that this act take effect immediately.

CHAPTER 152

An act to add Section 4600.7 to the Labor Code, relating to workers' compensation, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 9, 1994. Filed with
Secretary of State July 11, 1994.]

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

SECTION 1. Section 4600.7 is added to the Labor Code, to read:
4600.7. The Workers' Compensation Managed Care Fund is hereby created in the State Treasury for the administration of Sections 4600.3 and 4600.5 by the Division of Workers' Compensation. The administrative director shall establish a schedule of fees and revenues to be charged to certified health care organizations and

applicants for certification to fully fund the administration of these provisions and to repay amounts received as a loan from the General Fund. All fees and revenues shall be deposited in the Workers' Compensation Managed Care Fund and shall be used when appropriated by the Legislature solely for the purpose of carrying out the responsibilities of the Division of Workers' Compensation under Section 4600.3 or 4600.5.

SEC. 2. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to apply the provisions of this act to the entire 1994-95 fiscal year in order to facilitate the orderly administration of its provisions, it is necessary that this act take effect immediately.

CHAPTER 153

An act to amend Sections 2558, 2558.45, 41203.1, 41205, 42238.145, 76300, 76330, and 84751 of, and to add Sections 2558.6, 42238.11, 42238.12, and 54761.1 to, the Education Code, and to amend Sections 15816 and 15820.21 of, to add Sections 7550.6 and 15817.1 to, and to repeal Section 15820.62 of, the Government Code, relating to education finance, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 9, 1994. Filed with
Secretary of State July 11, 1994.]

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

SECTION 1. Section 2558 of the Education Code is amended to read:

2558. Notwithstanding any other provision of law, for the 1979-80 fiscal year and each fiscal year thereafter, the Superintendent of Public Instruction shall apportion state aid to county superintendents of schools pursuant to the provisions of this section.

(a) The Superintendent of Public Instruction shall total the amounts computed for the fiscal year pursuant to Sections 2550, 2551, 2551.3, 2554, 2555, and 2557. For the 1979-80 fiscal year and for purposes of calculating the 1979-80 fiscal year base amounts in succeeding fiscal years, the amounts in Sections 2550, 2551, 2552, 2554, 2555, and 2557, as they read in the 1979-80 fiscal year, shall be multiplied by a factor of 0.994. For the 1981-82 fiscal year and for purposes of calculating the 1981-82 fiscal year base amounts in succeeding fiscal years, the amount in this subdivision shall be multiplied by a factor of 0.97.

(b) For the 1995-96 fiscal year and each fiscal year thereafter, the county superintendent of schools shall adjust the total revenue limit

computed pursuant to this section by the amount of increased or decreased employer contributions to the Public Employees' Retirement System resulting from the enactment of Chapter 330 of the Statutes of 1982, adjusted for any changes in those contributions resulting from subsequent changes in employer contribution rates, excluding rate changes due to the direct transfer of the state-mandated portion of the employer contributions to the Public Employees' Retirement System through the current fiscal year. The adjustment shall be calculated for each county superintendent of schools as follows:

(1) Determine the amount of employer contributions that would have been made in the current fiscal year if the applicable Public Employees' Retirement System employee contribution rate in effect immediately prior to the enactment of Chapter 330 of the Statutes of 1982 were in effect during the current fiscal year.

(2) Determine the actual amount of employer contributions made to the Public Employees' Retirement System in the current fiscal year.

(3) If the amount determined in paragraph (1) is greater than the amount determined in paragraph (2), the total revenue limit computed pursuant to this part for that county superintendent of schools shall be decreased by the amount of the difference between those paragraphs; or if the amount determined in paragraph (1) is less than the amount determined in paragraph (2), the total revenue limit for that county superintendent of schools shall be increased by the amount of the difference between those paragraphs.

(4) For the purposes of this subdivision, employer contributions to the Public Employees' Retirement System for any of the following positions shall be excluded from the calculation specified above:

(A) Positions or portions of positions supported by federal funds that are subject to supplanting restrictions.

(B) Positions supported by funds received pursuant to Section 42243.6.

(C) Positions supported, to the extent of employers contributions not exceeding twenty-five thousand dollars (\$25,000) by any single educational agency, from a non-General Fund revenue source determined to be properly excludable from this subdivision by the Superintendent of Public Instruction with the approval of the Director of Finance.

(5) For accounting purposes, any reduction to county office of education revenue limits made by this subdivision may be reflected as an expenditure from appropriate sources of revenue as directed by the Superintendent of Public Instruction.

(6) The amount of the increase or decrease to the revenue limits of county superintendents of schools made by this subdivision for the 1995-96 fiscal year shall not be adjusted by the deficit factor calculated pursuant to Section 2558.45 for that fiscal year.

(c) The Superintendent of Public Instruction shall also subtract from the amount determined in subdivision (a) the sum of: (1) local

property tax revenues received pursuant to Section 2573 in the then current fiscal year, and tax revenues received pursuant to Section 2556 in the then current fiscal year, (2) state and federal categorical aid for the fiscal year, (3) district contributions pursuant to Section 52321 for the fiscal year, and other applicable local contributions and revenues, and (4) any amounts that the county superintendent of schools was required to maintain as restricted and not available for expenditure in the 1978-79 fiscal year as specified in the second paragraph of subdivision (c) of Section 6 of Chapter 292 of the Statutes of 1978, as amended by Chapter 51 of the Statutes of 1979.

(d) The remainder computed in subdivision (c) shall be distributed in the same manner as state aid to school districts from funds appropriated to Section A of the State School Fund.

(e) If the remainder determined pursuant to subdivision (c) is a negative amount, no state aid shall be distributed to that county superintendent of schools pursuant to subdivision (d), and an amount of funds of that county superintendent equal to that negative amount shall be deemed restricted and not available for expenditure during the current fiscal year. In the next fiscal year, that amount shall be considered local property tax revenue for purposes of the operation of paragraph (1) of subdivision (c) of this section.

SEC. 2. Section 2558.45 of the Education Code is amended to read:

2558.45. For the purposes of this article, the revenue limit for the 1994-95 and 1995-96 fiscal years for each county superintendent of schools determined pursuant to this article shall be reduced by a deficit factor calculated as follows:

$$100 - \frac{(90.23 \times 100)}{(100 + C)}$$

For purposes of this calculation, "C" is the percentage determined pursuant to subdivision (b) of Section 42238.1 for the 1994-95 fiscal year.

The revenue limit for each county superintendent of schools for the 1994-95 fiscal year shall be determined as if the revenue limit for each county superintendent of schools had been determined for the 1993-94 fiscal year without being reduced by the deficit factor required pursuant to Section 2558.4.

The revenue limit for each county superintendent of schools for the 1995-96 fiscal year shall be determined as if the revenue limit for each county superintendent of schools had been determined for the 1994-95 fiscal year without being reduced by the deficit factor specified in this section.

The revenue limit for each county superintendent of schools for the 1996-97 fiscal year and each fiscal year thereafter shall be determined as if the revenue limit for that county superintendent of schools had been determined for the 1995-96 fiscal year without

being reduced by the deficit factor specified in this section.

SEC. 3. Section 2558.6 is added to the Education Code, to read:

2558.6. Notwithstanding any other provision of law, for the 1994-95 fiscal year the county superintendent of schools shall reduce the total revenue limit computed pursuant to Section 2558 of the Education Code by the amount of the decreased employer contributions to the Public Employees' Retirement System resulting from the enactment of Chapter 330 of the Statutes of 1982, adjusted for any changes in those contributions resulting from subsequent changes in employer contribution rates, excluding rate changes due to the direct transfer of the state-mandated portion of the employer contributions to the Public Employees' Retirement System, through the 1994-95 fiscal year. The reduction shall be calculated for each county superintendent of schools as follows:

(a) Determine the amount of employer contributions that would have been made in the 1994-95 fiscal year if the applicable Public Employees' Retirement System employer contribution rate in effect immediately prior to the enactment of Chapter 330 of the Statutes of 1982 were in effect during the 1994-95 fiscal year.

(b) Subtract from the amount determined in subdivision (a) the actual amount of employer contributions made to the Public Employees' Retirement System in the 1994-95 fiscal year.

(c) For the purposes of this section, employer contributions to the Public Employees' Retirement System for any of the following positions shall be excluded from the calculation specified above:

(1) Positions or portions of positions supported by federal funds that are subject to supplanting restrictions.

(2) Positions supported by funds received pursuant to Section 42243.6 of the Education Code.

(3) Positions supported, to the extent of employer contributions not exceeding twenty-five thousand dollars (\$25,000) by any single educational agency, from a non-General Fund revenue source determined to be properly excludable from this section by the Superintendent of Public Instruction with the approval of the Director of Finance.

(d) For accounting purposes, the reduction made by this provision may be reflected as an expenditure from appropriate sources of revenue as directed by the Superintendent of Public Instruction.

(e) The amount of the reduction made by this section shall not be adjusted by the deficit factor calculated pursuant to Section 2558.45.

It is the intent of the Legislature to make adjustments to county office of education revenue limits for the 1994-95 fiscal year to reflect savings that these county offices of education will realize in the contributions to the Public Employees' Retirement System due to a reduced contribution rate for the 1994-95 fiscal year.

SEC. 4. Section 41203.1 of the Education Code is amended to read:

41203.1. (a) For the 1990-91 fiscal year and each fiscal year

thereafter, allocations calculated pursuant to Section 41203 shall be distributed in accordance with calculations provided in this section. Notwithstanding Section 41203, and for the purposes of this section, school districts, community college districts, and direct elementary and secondary level instructional services provided by the State of California shall be regarded as separate segments of public education, and each of these three segments of public education shall be entitled to receive respective shares of the amount calculated pursuant to Section 41203 as though the calculation made pursuant to subdivision (b) of Section 8 of Article XVI of the California Constitution were to be applied separately to each segment and the base year for the purposes of this calculation under paragraph (1) of subdivision (b) of Section 8 of Article XVI of the California Constitution were based on the 1989-90 fiscal year. Calculations made pursuant to this subdivision shall be made so that each segment of public education is entitled to the greater of the amounts calculated for that segment pursuant to paragraph (1) or (2) of subdivision (b) of Section 8 of Article XVI of the California Constitution.

(b) If the single calculation made pursuant to Section 41203 yields a guaranteed amount of funding that is less than the sum of the amounts calculated pursuant to subdivision (a), then the amount calculated pursuant to Section 41203 shall be prorated for the three segments of public education.

(c) Notwithstanding any other provision of law, this section shall not apply to the 1992-93 fiscal year.

(d) Notwithstanding any other provision of law, this section shall not apply to the 1993-94 fiscal year.

(e) Notwithstanding any other provision of law, this section shall not apply to the 1994-95 fiscal year.

SEC. 5. Section 41205 of the Education Code is amended to read:

41205. The Legislature hereby finds and declares that the only state agencies that provide direct elementary and secondary level instructional services within the meaning of Section 41302.5 are those state agencies enumerated in Section 8880.5 of the Government Code, or in any successor to that section, not including any agency enumerated in any of subdivisions (a) to (f), inclusive, of that section, and California Indian education centers as established pursuant to Article 6 (commencing with Section 33380) of Chapter 3 of Part 20. The amount of any appropriation made to a state agency for direct elementary and secondary level instruction services shall be determined by applying the definition of those services, as defined in the California School Accounting Manual, to the expenditures of the agency. However, for the Diagnostic Schools for Neurologically Handicapped Children, as established pursuant to Article 1 (commencing with Section 59200) of Chapter 3 of Part 32, all expenditures of the agency shall be considered appropriations made to a state agency for direct elementary and secondary level instruction.

SEC. 6. Section 42238.11 is added to the Education Code, to read: 42238.11. Notwithstanding any other provision of law, for the 1994-95 fiscal year the county superintendent of schools shall reduce the total revenue limit for each school district in the jurisdiction of the county superintendent of schools by the amount of the decreased employer contributions to the Public Employees' Retirement System resulting from the enactment of Chapter 330 of the Statutes of 1982, adjusted for any changes in those contributions resulting from subsequent changes in employer contribution rates, excluding rate changes due to the direct transfer of the state-mandated portion of the employer contributions to the Public Employees' Retirement System, through the 1994-95 fiscal year. The reduction shall be calculated for each school district as follows:

(a) Determine the amount of employer contributions that would have been made in the 1994-95 fiscal year if the applicable Public Employees' Retirement System employer contribution rate in effect immediately prior to the enactment of Chapter 330 of the Statutes of 1982 were in effect during the 1994-95 fiscal year.

For purposes of this calculation, no school district shall have a contribution rate higher than 13.020 percent.

(b) Subtract from the amount determined in subdivision (a) the actual amount of employer contributions made to the Public Employees' Retirement System in the 1994-95 fiscal year.

(c) For the purposes of this section, employer contributions to the Public Employees' Retirement System for any of the following positions shall be excluded from the calculation specified above:

(1) Positions or portions of positions supported by federal funds that are subject to supplanting restrictions.

(2) Positions supported by funds received pursuant to Section 42243.6.

(3) Positions supported, to the extent of employer contributions not exceeding twenty-five thousand dollars (\$25,000) by any single educational agency, from a non-General Fund revenue source determined to be properly excludable from this section by the Superintendent of Public Instruction with the approval of the Director of Finance.

(d) For accounting purposes, the reduction made by this provision may be reflected as an expenditure from appropriate sources of revenue as directed by the Superintendent of Public Instruction.

(e) The amount of the reduction made by this section shall not be adjusted by the deficit factor calculated pursuant to Section 42238.145.

It is the intent of the Legislature to make adjustments to school district revenue limits for the 1994-95 fiscal year to reflect savings that these districts will realize in the contributions to the Public Employees' Retirement System due to a reduced contribution rate for the 1994-95 fiscal year.

SEC. 7. Section 42238.12 is added to the Education Code, to read:

42238.12. For the 1995-96 fiscal year and each fiscal year thereafter, the county superintendent of schools shall adjust the total revenue limit for each school district in the jurisdiction of the county superintendent of schools by the amount of increased or decreased employer contributions to the Public Employees' Retirement System resulting from the enactment of Chapter 330 of the Statutes of 1982, adjusted for any changes in those contributions resulting from subsequent changes in employer contribution rates, excluding rate changes due to the direct transfer of the state-mandated portion of the employer contributions to the Public Employees' Retirement System, through the current fiscal year. The adjustment shall be calculated for each school district, as follows:

(a) Determine the amount of employer contributions that would have been made in the current fiscal year if the applicable Public Employees' Retirement System employer contribution rate in effect immediately prior to the enactment of Chapter 330 of the Statutes of 1982 were in effect during the current fiscal year.

For the purposes of this calculation, no school district shall have a contribution rate higher than 13.020 percent.

(b) Determine the actual amount of employer contributions made to the Public Employees' Retirement System in the current fiscal year.

(c) If the amount determined in subdivision (a) for a school district is greater than the amount determined in subdivision (b), the total revenue limit computed for that school district shall be decreased by the amount of the difference between those subdivisions; or, if the amount determined in subdivision (a) for a school district is less than the amount determined in subdivision (b), the total revenue limit for that school district shall be increased by the amount of the difference between those subdivisions.

(d) For the purpose of this section, employer contributions to the Public Employees' Retirement System for any of the following positions shall be excluded from the calculation specified above:

(1) Positions or portions of positions supported by federal funds that are subject to supplanting restrictions.

(2) Positions supported by funds received pursuant to Section 42243.6.

(3) Positions supported, to the extent of employers contributions not exceeding twenty-five thousand dollars (\$25,000) by any single educational agency, from a non-General Fund revenue source determined to be properly excludable from this section by the Superintendent of Public Instruction with the approval of the Director of Finance.

(e) For accounting purposes, any reduction to district revenue limits made by this provision may be reflected as an expenditure from appropriate sources of revenue as directed by the Superintendent of Public Instruction.

(f) The amount of the increase or decrease to the revenue limits of school districts computed pursuant to subdivision (c) for the

1995-96 fiscal year shall not be adjusted by the deficit factor calculated pursuant to Section 42238.145 for that fiscal year.

SEC. 8. Section 42238.145 of the Education Code is amended to read:

42238.145. For the purposes of this article, the revenue limit for the 1994-95 and 1995-96 fiscal years for each school district determined pursuant to this article shall be reduced by a deficit factor calculated as follows:

$$100 - \frac{(91.86 \times 100)}{(100 + C)}$$

For purposes of this calculation, "C" is the percentage determined pursuant to subdivision (b) of Section 42238.1 for the 1994-95 fiscal year.

The revenue limit for the 1994-95 fiscal year for each school district shall be determined as if the revenue limit for each school district had been determined for the 1993-94 fiscal year without being reduced by the deficit factor required pursuant to Section 42238.14.

The revenue limit for each school district for the 1995-96 fiscal year shall be determined as if the revenue limit for that school district had been determined for the 1994-95 fiscal year without being reduced by the deficit factor specified in this section.

The revenue limit for each school district for the 1996-97 fiscal year, and each fiscal year thereafter, shall be determined as if the revenue limit for that school district had been determined for the 1995-96 fiscal year without being reduced by the deficit factor specified in this section.

SEC. 9. Section 54761.1 is added to the Education Code, to read:

54761.1. (a) The sum of one hundred seventy-eight million eight hundred sixty-six thousand dollars (\$178,866,000) is hereby appropriated from the General Fund to the Superintendent of Public Instruction for allocation to school districts for purposes of this article for the 1994-95 fiscal year. The funds appropriated pursuant to this subdivision shall be allocated pursuant to subdivision (c) of Section 12.32 of the Budget Act of 1994.

(b) Any action by a school district to change, or any decision by the school district to maintain, the 1993-94 designation of supplemental grant funds in the 1994-95 fiscal year pursuant to subdivision (c) of Section 12.32 of the Budget Act of 1994 shall be considered a new designation and shall be applicable in the 1994-95 fiscal year and each fiscal year thereafter.

(c) For purposes of computing the base revenue limit per unit of average daily attendance of a school district for the 1995-96 fiscal year, the base revenue limit per unit of average daily attendance of the school district for the 1994-95 fiscal year shall be increased by an amount equal to the amount of supplemental grant funds added to the total revenue limit in the 1994-95 fiscal year divided by the school

district's revenue limit average daily attendance for the 1994-95 fiscal year determined pursuant to Section 42238.5 and Article 4 (commencing with Section 42280) of Chapter 7 of Part 24. This increase shall be subject to any other adjustments applicable to the base revenue limit.

(d) For the purpose of computing the entitlement of any school district for any of the categorical programs described in Section 54760.1 and clause (i) of subparagraph (B) of paragraph (1) of subdivision (a) of Section 54761, the following adjustments shall be made:

(1) For programs that base the current fiscal year entitlement on the prior fiscal year entitlement, in whole, or in part, for the 1995-96 fiscal year, and each fiscal year thereafter, the entitlement under each of those programs for the 1994-95 fiscal year shall be deemed to include the amount of supplemental grant funds allocated by the school district to the program pursuant to subdivision (b) in the 1994-95 fiscal year.

(2) For programs that base the current fiscal year entitlement on factors other than the prior fiscal year entitlement, the entitlement under each of those programs shall be increased in the 1995-96 fiscal year and each fiscal year thereafter by the amount of the supplemental grant funds allocated by the school district to the program pursuant to subdivision (b) in the 1994-95 fiscal year.

The increases described in paragraphs (1) and (2) are subject to any applicable adjustments to the relevant categorical program for the 1995-96 fiscal year and each fiscal year thereafter.

SEC. 10. Section 76300 of the Education Code is amended to read: 76300. (a) The governing board of each community college district shall charge each student a fee pursuant to this section.

(b) The fee prescribed by this section shall be thirteen dollars (\$13) per unit per semester.

The chancellor shall proportionately adjust the amount of the fee for term lengths based upon a quarter system and shall also proportionately adjust the amount of the fee for summer sessions, intersessions, and other short-term courses. In making these adjustments, the chancellor may round the per unit fee and the per term or per session fee to the nearest dollar.

(c) For the purposes of computing apportionments to community college districts pursuant to Section 84750, the chancellor shall subtract from the total revenue owed to each district, 98 percent of the revenues received by districts from charging a fee pursuant to this section.

(d) The chancellor shall reduce apportionments by up to 10 percent to any district that does not collect the fees prescribed by this section.

(e) The fee requirement does not apply to any of the following:

(1) Students enrolled in the noncredit courses designated by Section 84711.

(2) California State University or University of California students

enrolled in remedial classes provided by a community college district on a campus of the University of California or a campus of the California State University, for whom the district claims an attendance apportionment pursuant to an agreement between the district and the California State University or the University of California.

(f) The governing board of a community college district may exempt special part-time students admitted pursuant to Section 76001 from the fee requirement.

(g) The fee requirements of this section shall be waived for any student who, at the time of enrollment, is a recipient of benefits under the Aid to Families with Dependent Children program, the Supplemental Security Income/State Supplementary Program, or a general assistance program or has demonstrated financial need in accordance with the methodology set forth in federal law or regulation for determining the expected family contribution of students seeking financial aid. The governing board of a community college district may also waive the fee requirements of this section for any student who demonstrates eligibility according to income standards established by the board of governors and contained in Section 58620 of Title 5 of the California Code of Regulations.

(h) The fee requirements of this section shall be waived for any student who, at the time of enrollment is a dependent, or surviving spouse who has not remarried, of any member of the California National Guard who, in the line of duty and while in the active service of the state, was killed, died of a disability resulting from an event that occurred while in the active service of the state, or is permanently disabled as a result of an event that occurred while in the active service of the state. "Active service of the state," for the purposes of this subdivision, means a member of the California National Guard activated pursuant to Section 146 of the Military and Veterans Code.

(i) It is the intent of the Legislature that sufficient funds be provided to support the provision of a fee waiver for every student who demonstrates eligibility pursuant to subdivisions (g) and (h).

From funds provided in the annual Budget Act, the board of governors shall allocate to community college districts, pursuant to this subdivision, an amount equal to 2 percent of the fees waived pursuant to subdivisions (g) and (h). From funds provided in the annual Budget Act, the board of governors shall allocate to community college districts, pursuant to this subdivision, an amount equal to 7 percent of the fee waivers provided pursuant to subdivisions (g) and (h) for determination of financial need and delivery of student financial aid services, on the basis of the number of students for whom fees are waived. Funds allocated to a community college district for determination of financial need and delivery of student financial aid services shall supplement, and shall not supplant, the level of funds allocated for the administration of student financial aid programs during the 1992-93 fiscal year.

(j) The board of governors shall adopt regulations implementing this section.

(k) This section shall remain in effect only until July 1, 1995, and as of that date is repealed, unless a later enacted statute, which is chaptered before July 1, 1995, deletes or extends that date.

SEC. 11. Section 76330 of the Education Code is amended to read:

76330. (a) The governing board of each community college district shall charge a fee of fifty dollars (\$50) per semester unit, or the quarter unit equivalent, to each student who previously has been awarded a baccalaureate or graduate degree from any public postsecondary educational institution or any private postsecondary educational institution approved to operate by the Council for Private Postsecondary and Vocational Education, accredited by an agency recognized by the United States Department of Education, or operated pursuant to Section 94303. Any student charged a fee pursuant to this section shall be exempt from the fees required pursuant to Section 76300.

(b) The governing board shall exempt from subdivision (a), and charge the fees specified in Section 76300 to, a student who is any of the following:

(1) A dislocated worker, as certified by a state agency in accordance with Subchapter III of the federal Job Training Partnership Act (29 U.S.C. Sec. 1651 et seq.).

(2) A displaced homemaker, as defined in accordance with the Higher Education Act of 1965, as amended (20 U.S.C. Sec. 1001 et seq.).

(3) A recipient of benefits under the Aid to Families with Dependent Children program, the Supplemental Security Income/State Supplementary Program, or a general assistance program.

(4) An enrollee in a course offered pursuant to a contract between the community college and a public or private entity if (A) the contract provides for the payment by the public or private entity of all costs associated with the course and (B) full-time equivalent student enrollment in the course is not counted for the purpose of determining district or statewide apportionment.

(5) A student who demonstrates, pursuant to Chapter 2 (commencing with Section 69500) of Part 42 or Section 76310, financial need in excess of the amount of the fee specified in subdivision (a).

(c) Nonresident students who pay nonresident tuition shall be exempt from subdivision (a).

(d) The governing board of a community college district may require each student not required to pay the fee charged pursuant to subdivision (a) to file a written oath or affirmation, at the time of enrollment, that he or she either does not have a baccalaureate degree or higher degree or is eligible for an exemption.

(e) It is the intent of the Legislature that governing boards conduct selective audits of any oath or affirmation filed by students

pursuant to subdivision (d). If any audit conducted under this subdivision results in a finding by the community college district that a student owes additional fees pursuant to this section, the district may require the student to pay the additional fees, plus an amount not to exceed two times the additional fees.

(f) For the purposes of computing apportionments to community college districts, pursuant to Section 84750, the chancellor shall subtract from the total revenue owed to each district 98 percent of the revenues received by each district from charging a fee pursuant to this section.

(g) The chancellor shall reduce apportionments by up to 10 percent to any district that does not collect the fees prescribed by this section.

(h) It is the further intent of the Legislature that students who have not previously been awarded a baccalaureate or graduate degree be given priority for enrollment.

(i) (1) This section shall be operative beginning with the first regular academic semester, quarter, or term commencing after January 1, 1993.

(2) Notwithstanding subdivision (c) of Section 84750, decreases in the 1992-93 fiscal year in credit full-time equivalent students (FTES) resulting from the implementation of this section shall not result in any reduction in revenue for the 1993-94 fiscal year. Decreases in FTES in the 1992-93 fiscal year shall result in a revenue reduction over the three-year period beginning with the 1994-95 fiscal year, except that community college districts shall be entitled to restore any reductions in apportionment revenue if there is a subsequent increase in FTES. For purposes of this paragraph, any revenue loss associated with decreases in FTES shall be distributed on a district-by-district basis. District revenue loss shall not be distributed on a statewide average basis.

(3) The board of governors shall report to the Legislature on or before January 1, 1994, on the implementation and impact of this section.

(j) This section shall remain in effect only until January 1, 1996, and as of that date is repealed, unless a later enacted statute, which is enacted before January 1, 1996, deletes or extends that date.

SEC. 12. Section 84751 of the Education Code is amended to read: 84751. In calculating each community college district's revenue level for each fiscal year pursuant to subdivision (a) of Section 84750, the chancellor shall subtract, from the total revenues owed, all of the following:

(a) The local property tax revenue specified by law for general operating support, exclusive of bond interest and redemption.

(b) Ninety-eight percent of the fee revenues collected pursuant to Section 76300 and 76330.

(c) Motor vehicle license fees received pursuant to Section 11003.4 of the Revenue and Taxation Code.

(d) Timber yield tax revenue received pursuant to Section 38905

of the Revenue and Taxation Code.

(e) Any amounts received pursuant to Section 33492.15, 33607.5, or 33607.7 of the Health and Safety Code, except those amounts that are allocated exclusively for educational facilities.

SEC. 13. Section 7550.6 is added to the Government Code, to read:

7550.6. Notwithstanding any other provision of law, until June 30, 1995, no local educational agency shall be required to prepare or to submit any written report pursuant to Chapter 1.2 (commencing with Section 628) of Title 15 of Part 1 of the Penal Code.

SEC. 14. Section 15816 of the Government Code is amended to read:

15816. (a) When any public building has been acquired or constructed by the board, and the revenues, rentals, or receipts from the operation of the public building are no longer required or pledged for the payment of principal or interest on any of the certificates or revenue bonds of the board undertaken under this part, the board shall forthwith notify the Department of General Services of that fact, and thereafter the public building shall be under the jurisdiction of, and operated and maintained by, the Department of General Services.

(b) Subdivision (a) shall not apply to any public facility used pursuant to Section 15817.1 by, or to any public building constructed for lease-purchase, to the Regents of the University of California, the Trustees of the California State University, the Board of Governors of the California Maritime Academy, or any community college district, pursuant to this part. When the revenues, rentals, or receipts from the operation of any public facility or public building are no longer required or pledged for the payment of principal or interest on the certificates or revenue bonds of the board, title to the public building shall vest in the Regents of the University of California, the Trustees of the California State University, the Board of Governors of the California Maritime Academy, or the community college district.

(c) If at any time funds are available by law to retire any certificates or revenue bonds issued to defray the cost of any public building, these funds shall be applied to the redemption of certificates or revenue bonds secured by the rentals and revenues from that public building.

SEC. 15. Section 15817.1 is added to the Government Code, to read:

15817.1. (a) Exclusively for the purpose of providing the financing of public buildings or equipment pursuant to this part through the issuance of revenue bonds, notes, or certificates by the board, and notwithstanding any other provision of law, the board may buy or lease from any community college district, the Trustees of the California State University, or the Regents of the University of California public facilities identified by and under the jurisdiction or control of the community college district, the Trustees of the

California State University, or the Regents of the University of California, and, in that connection, the board may then sell or lease those public facilities back to the community college district, the Trustees of the California State University, or the Regents of the University of California. In each case, the sale or lease shall provide installment payment or rental provisions, term, payment, security, default, remedy, and other terms or provisions as may be specified in the installment sale, lease, or other agreement or agreements between the board and the community college district, the Trustees of the California State University, or the Regents of the University of California. The public facilities or equipment that are sold or leased pursuant to this section may be existing public facilities or equipment, as determined by the board and the community college district, the Trustees of the California State University, or the Regents of the University of California, and which are also determined to have both of the following:

(1) A fair market value that is not less than the principal amount of the bonds, notes, or certificates of the board authorized to be issued for the purpose of providing the financing of public buildings pursuant to this part.

(2) An economic useful life that is not shorter than the final maturity of the bonds, notes, or certificates of the board authorized to be issued for the purpose of providing the financing of public buildings pursuant to this part.

(b) These determinations by the board, and the community college district, the Trustees of the California State University, or the Regents of the University of California pursuant to subdivision (a) shall be final and conclusive.

SEC. 16. Section 15820.21 of the Government Code is amended to read:

15820.21. (a) In order to provide for facilities or portions thereof for research within the University of California, including the acquisition of land, buildings, related infrastructure, and equipment and the construction, renovation, and equipping of research facilities or portions thereof and related infrastructure to be dedicated to long-term scientific research activities that are expected to generate federal funding for research and to enhance the economy of this state and the nation or the competitive position of this state and the nation in the international economy, it is the intent of the Legislature to authorize the University of California to use the revenues referenced in subdivision (b) for the acquisition, construction, renovation, equipping, and maintenance of certain research facilities, or portions thereof, and related infrastructure and for the financing and refinancing of these projects.

(b) To the extent necessary, increases in revenues received by the University of California that are derived from increases in research due to each project shall be available to the Regents of the University of California and shall be used by the regents for the purpose of funding the capital costs, maintenance costs, and financing or

refinancing thereof, provided that the project has been specifically identified by a statute. Revenue increases in excess of the amount necessary for these purposes shall be shared by the university and the state based on state and university budgetary policies.

(c) The capital costs, maintenance costs, and financing or refinancing of the buildings, facilities, or equipment described in this section shall be the responsibility of the regents and payable from university funds. For purposes of this section, "university funds" shall not include any funds appropriated from the state.

(d) This section shall be construed and applied in a manner entirely consistent with the obligations of the Regents of the University of California under any bond indenture or other financing document in effect on July 11, 1990.

SEC. 17. Section 15820.62 of the Government Code is repealed.

SEC. 18. Notwithstanding any other provision of law, for the purposes of Sections 14002, 14004, and 41301 of the Education Code, for the 1995-96 fiscal year the Superintendent of Public Instruction shall certify to the Controller amounts that do not exceed the amounts needed to fund the revenue limits of school districts pursuant to Section 42238 of the Education Code, as adjusted by the deficit factor required pursuant to Section 42238.145 of the Education Code, and the revenue limits of county superintendents of schools pursuant to Section 2558 of the Education Code, as adjusted by the deficit factor required pursuant to Section 2558.45 of the Education Code.

SEC. 19. It is the intent of the Legislature that the deficit factors determined pursuant to Sections 2558.45 and 42238.145 of the Education Code be adjusted in the 1995-96 fiscal year to reflect the following conditions:

(a) That the total funding for school districts and community colleges districts from the General Fund for the 1995-96 fiscal year does not exceed the minimum state funding obligation for school districts and community college districts imposed by Section 8 of Article XVI of the California Constitution.

(b) That the total state funding for education programs for kindergarten and grades 1 to 12, inclusive, excluding apportionments to school districts and county offices of education for revenue limit purposes, is not decreased below the funding level for those programs in the 1994-95 fiscal year.

SEC. 20. The amount of the increase in the 1994-95 fiscal year to the revenue limits of county offices of education to reflect increased unemployment insurance costs pursuant to Section 2557.5 of the Education Code shall not be adjusted by the deficit factor computed pursuant to Section 2558.45 of the Education Code.

SEC. 21. The amount of the increase in the 1994-95 fiscal year to the revenue limit of any elementary, high, or unified school district to reflect increased unemployment insurance costs pursuant to Section 42241.7 of the Education Code shall not be adjusted by the deficit factor computed pursuant to Section 42238.145 of the

Education Code.

SEC. 22. The amount of the change in the 1994-95 fiscal year to the revenue limits of any school district to reflect the adjustment for continuation high school education pursuant to Section 42243.7 of the Education Code shall not be adjusted by the deficit factor computed pursuant to Section 42238.145 of the Education Code.

SEC. 23. The funds appropriated in Item 6110-161-001 of Section 2.00 of the Budget Act of 1994 are in lieu of the amounts that would otherwise be required to be appropriated for special education programs pursuant to Chapter 7 (commencing with Section 56700) of Part 30, or Section 42238.15, of the Education Code, or any other provision of law.

SEC. 24. The funds appropriated in Item 6110-230-001 of Section 2.00 of the Budget Act of 1994 for any program eligible for funding under that item are in lieu of the amount that would otherwise be required to be appropriated pursuant to any other provision of law.

SEC. 25. Notwithstanding any other provision of law or any agreement between a school district or county office of education and the State Department of Education to the contrary, for the 1994-95 fiscal year not more than 10 percent of the amount apportioned to any school district, county office of education, or other agency under Item 6110-230-001 of Section 2.00 of the Budget Act of 1994 for any program eligible for funding under that item may be expended by that recipient for the purposes of any other program for which the recipient is eligible for funding under that item, except that the total amount of funding allocated to the recipient under that item that is expended by the recipient for the purposes of any program funded pursuant to that item shall not exceed 115 percent of the amount of state funding allocated to that recipient for that program for the 1994-95 fiscal year.

SEC. 26. (a) Notwithstanding any other provision of law, funds allocated to each county superintendent of schools and each school district in the 1994-95 fiscal year for an adult in correctional facilities program pursuant to Sections 1909 and 41841.5 of the Education Code shall not exceed the amount of funds received by each county superintendent of schools or each school district in the 1993-94 fiscal year for that purpose, subject to subdivision (b).

(b) The total amount of funds allocated in the 1994-95 fiscal year to county superintendents of schools and school districts pursuant to subdivision (a) shall not exceed thirteen million four hundred thousand dollars (\$13,400,000). If the total amount of funds allocated in the 1993-94 fiscal year to county superintendents of schools and school districts for adults in correctional facilities programs is greater than thirteen million four hundred thousand dollars (\$13,400,000), the reduction in the amount to be allocated to county superintendents of schools and school districts shall be made on a pro rata basis by applying a deficit factor to each allocation that is computed by dividing the total amount of funds allocated to county superintendents of schools and school districts in the 1993-94 fiscal

year by thirteen million four hundred thousand dollars (\$13,400,000).

(c) If a county superintendent of schools or a school district reduces or eliminates its adults in correctional facilities program in the 1994-95 fiscal year, and that reduction to, or elimination of, the program is not a direct result of the reduction, if any, required to the allocation to the county superintendent of schools or school district pursuant to subdivision (b), the allocation pursuant to this section to that county superintendent of schools or that school district shall be reduced by either an amount equal to the amount of the reduction in the actual expense of the program, or an amount that reflects the reduction in the units of average daily attendance generated by the program, whichever is appropriate.

(d) Any funds remaining after the reduction made pursuant to subdivision (c) shall be reallocated for the purposes of Section 41841.8 of the Education Code.

SEC. 27. Notwithstanding any other provision of law, for the 1994-95 fiscal year, the Superintendent of Public Instruction shall apportion not more than a total of eighty-eight million five hundred twenty-five thousand dollars (\$88,525,000) from all sources for purposes of funding the average daily attendance of pupils pursuant to subdivision (c) of Section 1981 of the Education Code. This section shall not apply for purposes of funding the average daily attendance of any pupil placed in a county community school as a result of being expelled pursuant to subdivision (a) or (b) of Section 48915 of the Education Code or any pupil placed in a community school pursuant to legislation enacted during the second year of the 1993-94 Regular Session of the Legislature that amends subdivision (c) of Section 1981 of the Education Code.

SEC. 28. Notwithstanding any other law, any advanced placement class offered by a school district at one or more schools of the district during evening hours, on weekends, or both, shall qualify for instructional minutes, subject to subdivision (a) of Section 46300 of the Education Code. The attendance of pupils at advanced placement classes offered on weekends, as described in this section, shall not be included in any computation of average daily attendance for purposes of the Education Code.

SEC. 29. Notwithstanding any other provision of law, Section 66156 of the Education Code shall not apply to the imposition of student fees by the Trustees of the California State University for the 1994-95 academic year.

SEC. 30. Notwithstanding former Section 15820.62 of the Government Code, as it read on June 30, 1994, a new project may be authorized pursuant to Chapter 3.8 (commencing with Section 15820.50) of Part 10b of Division 3 of Title 2 of the Government Code on and after July 1, 1994.

SEC. 31. Notwithstanding any other provision of law, the total allocations to school districts and community college districts from General Fund proceeds of taxes appropriated pursuant to Article XIII B and allocated local proceeds of taxes, as calculated pursuant

to paragraphs (2) and (3) of subdivision (b) of Section 8 of Article XVI of the California Constitution, for purposes of determining the minimum state school funding obligation under that constitutional provision for the 1995–96 fiscal year, shall be deemed to be the sum of the actual amounts allocated from these sources for the 1994–95 fiscal year plus seventy-five million dollars (\$75,000,000).

SEC. 32. The Legislature hereby finds and declares that the total resources per pupil available for expenditure by school districts and county offices of education for the 1994–95 fiscal year is not less than the total resources per pupil available for expenditure by those entities for the 1993–94 fiscal year, estimated to be approximately four thousand two hundred seventeen dollars (\$4,217) per unit of average daily attendance. The Legislature further finds and declares that Sections 3 and 6 of this act reflect reductions in revenue limits for county superintendents of schools and school districts in amounts not to exceed the reductions in costs experienced by those entities as a result of the decrease in their required employer contributions to the Public Employees' Retirement System in the 1994–95 fiscal year.

SEC. 33. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to effectuate the necessary statutory changes to implement the Budget Act of 1994, it is necessary that this act take effect immediately.

CHAPTER 154

An act relating to public funds.

[Approved by Governor July 9, 1994. Filed with
Secretary of State July 11, 1994.]

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

SECTION 1. (a) The Legislature finds and declares the following:

(1) The State of California is a plaintiff in a lawsuit filed in the United States District Court for the Central District of California (In re: Coordinated Pretrial Proceedings in Petroleum Products Antitrust Litigation (M.D.L. Docket No. 150 AWT)) in which it is alleged that certain oil companies conspired to fix the prices of gasoline and other oil products, and of creating a gasoline shortage to cause an increase in gasoline prices.

(2) A settlement agreement has been reached that would divide the amount of the settlement fund among California and the other plaintiffs, as determined by the federal court.

(b) It is the intent of the Legislature that California's share of the funds disbursed pursuant to the settlement agreement be deposited in the State Highway Account in the State Transportation Fund in the 1995-96 fiscal year.

CHAPTER 155

An act to add Section 341.5 to the Code of Civil Procedure, to amend Section 955.3 of the Government Code, to amend Sections 97.02, 97.03, 97.035, 97.036, and 97.04 of, and to amend and renumber Section 97.036 of, the Revenue and Taxation Code, and to repeal Section 19 of Chapter 905 of the Statutes of 1993, relating to local government finance, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 9, 1994. Filed with
Secretary of State July 11, 1994.]

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

SECTION 1. Section 341.5 is added to the Code of Civil Procedure, to read:

341.5. Notwithstanding any other provision of law, any action or proceeding in which a county, city, city and county, school district, special district, or any other local agency is a plaintiff or petitioner, that is brought against the State of California challenging the constitutionality of any statute relating to state funding for counties, cities, cities and counties, school districts, special districts, or other local agencies, shall be commenced with 45 days of the effective date of the statute at issue in the action. For purposes of this section, "State of California" means the State of California itself, or any of its agencies, departments, commissions, boards, or public officials.

SEC. 2. Section 955.3 of the Government Code is amended to read:

955.3. (a) Notwithstanding any provision of law, when a city, county, or city and county, or local agency is a plaintiff or petitioner in an action or proceeding against the State of California, the action may be tried in any city or county, or city and county, where the city, county, or city and county, or local agency is situated.

Upon motion by the Attorney General on behalf of the State of California, before answering, the place of trial shall be changed to Sacramento County in accordance with the provisions of Section 397 of the Code of Civil Procedure.

For the purposes of this section, "local agency" means any governmental district, board or agency, or any other local governmental body or corporation, or elected local public official, and "State of California" means the State of California itself, or any of its agencies, departments, commissions, boards, or public officials.

(b) Notwithstanding any other provision of law, including Section 401 of the Code of Civil Procedure, when a county, city, city and county, school district, special district, or any other local agency is a plaintiff or petitioner in any action or proceeding against the State of California that involves funding for the local governmental entity, the action shall be filed and tried in Sacramento County.

SEC. 3. Section 97.02 of the Revenue and Taxation Code is amended to read:

97.02. (a) Notwithstanding any other provision of this chapter, the computations and allocations made by each county pursuant to Section 97, as modified by Section 97.03 for the 1992-93 fiscal year, shall be modified for the 1993-94 fiscal year as follows:

(1) The amount of property tax revenue deemed allocated to the county or city and county in the prior fiscal year shall be reduced by an amount equal to seventy-eight cents (\$0.78) per each resident of the county or city and county. In addition, the amount of property tax revenue deemed allocated in the prior fiscal year to each city or city and county shall be reduced by an amount equal to ninety-nine cents (\$0.99) per each resident of that city or city and county.

(2) The amount of property tax revenues not allocated to the county, city and county, and any city as a result of the reductions calculated pursuant to paragraph (1) shall be deposited in the Educational Revenue Augmentation Fund established pursuant to paragraph (1) of subdivision (d) of Section 97.03.

(b) For the purpose of this section, the population of a city, county, or city and county shall be the population determined pursuant to Section 11005.

SEC. 4. Section 97.03 of the Revenue and Taxation Code is amended to read:

97.03. Notwithstanding any other provision of this chapter, the computations and allocations made by each county pursuant to Section 97 shall be modified for the 1992-93 fiscal year pursuant to subdivisions (a) to (d), inclusive, and for the 1997-98 and 1998-99 fiscal years pursuant to subdivision (e), as follows:

(a) (1) Except as provided in paragraph (2), the amount of property tax revenue deemed allocated in the prior fiscal year to each county shall be reduced by the dollar amounts indicated as follows, multiplied by .953649:

County	Property Tax Reduction per County
Alameda.....	\$ 27,323,576
Alpine.....	5,169
Amador.....	286,131
Butte.....	846,452
Calaveras.....	507,526
Colusa.....	186,438
Contra Costa.....	12,504,318

Del Norte	46,523
El Dorado	1,544,590
Fresno.....	5,387,570
Glenn	378,055
Humboldt	1,084,968
Imperial	998,222
Inyo	366,402
Kern	6,907,282
Kings.....	1,303,774
Lake	998,222
Lassen.....	93,045
Los Angeles.....	244,178,806
Madera	809,194
Marin	3,902,258
Mariposa.....	40,136
Mendocino.....	1,004,112
Merced.....	2,445,709
Modoc.....	134,650
Mono.....	319,793
Monterey	2,519,507
Napa	1,362,036
Nevada	762,585
Orange	9,900,654
Placer	1,991,265
Plumas	71,076
Riverside	7,575,353
Sacramento	15,323,634
San Benito	198,090
San Bernardino	14,467,099
San Diego	17,687,776
San Francisco	53,266,991
San Joaquin	8,574,869
San Luis Obispo.....	2,547,990
San Mateo	7,979,302
Santa Barbara	4,411,812
Santa Clara	20,103,706
Santa Cruz.....	1,416,413
Shasta	1,096,468
Sierra	97,103
Siskiyou	467,390
Solano	5,378,048
Sonoma.....	5,455,911
Stanislaus	2,242,129
Sutter	831,204
Tehama	450,559
Trinity	50,399
Tulare	4,228,525
Tuolumne	740,574
Ventura	9,412,547

Yolo	1,860,499
Yuba	842,857

(2) Notwithstanding paragraph (1), the amount of the reduction specified in that paragraph for any county or city and county that has been materially and substantially impacted as a result of a federally declared disaster, as evidenced by at least 20 percent of the cities, or cities and unincorporated areas of the county representing 20 percent of the population within the county suffering substantial damage, as certified by the Director of the Office of Emergency Services, occurring between October 1, 1989, and the effective date of this section, shall be reduced by that portion of five million dollars (\$5,000,000) determined for that county or city and county pursuant to subparagraph (B) of paragraph (3).

(3) On or before October 1, 1992, the Director of Finance shall do all of the following:

(A) Determine the population of each county and city and county in which a federally declared disaster has occurred between October 1, 1989, and the effective date of this section.

(B) Determine for each county and city and county as described in subparagraph (A) its share of five million dollars (\$5,000,000) on the basis of that county's population relative to the total population of all counties described in subparagraph (A).

(C) Notify each auditor of each county and city and county of the amounts determined pursuant to subparagraph (B).

(b) (1) Except as provided in paragraph (2), the amount of property tax revenue deemed allocated in the prior fiscal year to each city, except for a newly incorporated city that did not receive property tax revenues in the 1991-92 fiscal year, shall be reduced by 9 percent. In making the above computation with respect to cities in Alameda County, the computation for a city described in paragraph (6) of subdivision (a) of Section 100.7, as added by Section 73.5 of Chapter 323 of the Statutes of 1983, shall be adjusted so that the amount multiplied by 9 percent is reduced by the amount determined for that city for "museums" pursuant to paragraph (2) of subdivision (h) of Section 95.

(2) Notwithstanding paragraph (1), the amount of the reduction determined pursuant to that paragraph for any city that has been materially and substantially impacted as a result of a federally declared disaster, as certified by the Director of the Office of Emergency Services, occurring between October 1, 1989, and the effective date of this section, shall be reduced by that portion of fifteen million dollars (\$15,000,000) determined for that city pursuant to subparagraph (B) of paragraph (3).

(3) On or before October 1, 1992, the Director of Finance shall do all of the following:

(A) Determine the population of each city in which a federally declared disaster has occurred between October 1, 1989, and the effective date of this section.

(B) Determine for each city as described in subparagraph (A) its share of fifteen million dollars (\$15,000,000) on the basis of that city's population relative to the total population of all cities described in subparagraph (A).

(C) Notify each auditor of each county and city and county of the amounts determined pursuant to subparagraph (B).

(4) In the 1992-93 fiscal year and each fiscal year thereafter, the auditor shall adjust the computations required pursuant to Sections 97.35, 97.36, 97.38, and 97.39 so that those computations do not result in the restoration of any reduction required pursuant to this section.

(c) (1) Subject to paragraph (2), the amount of property tax revenue, other than those revenues that are pledged to debt service, deemed allocated in the prior fiscal year to a special district, other than a multicounty district, a local hospital district, or a district governed by a city council or whose governing board has the same membership as a city council, shall be reduced by 35 percent. For purposes of this subdivision, "revenues that are pledged to debt service" include only those amounts required to pay debt service costs in the 1991-92 fiscal year on debt instruments issued by a special district for the acquisition of capital assets.

(2) No reduction pursuant to paragraph (1) for any special district, other than a countywide water agency that does not sell water at retail, shall exceed an amount equal to 10 percent of that district's total annual revenues, from whatever source, as shown in the 1989-90 Edition of the State Controller's Report on Financial Transactions Concerning Special Districts (not including any annual revenues from fiscal years following the 1989-90 fiscal year). With respect to any special district, as defined pursuant to subdivision (m) of Section 95, that is allocated property tax revenue pursuant to this chapter but does not appear in the State Controller's Report on Financial Transactions Concerning Special Districts, the auditor shall determine the total annual revenues for that special district from the information in the 1989-90 Edition of the State Controller's Report on Financial Transactions Concerning Counties. With respect to a special district that did not exist in the 1989-90 fiscal year, the auditor may use information from the first full fiscal year, as appropriate, to determine the total annual revenues for that special district. No reduction pursuant to paragraph (1) for any countywide water agency that does not sell water at retail shall exceed an amount equal to 10 percent of that portion of that agency's general fund derived from property tax revenues.

(3) The auditor in each county shall, on or before January 15, 1993, and on or before January 30 of each year thereafter, submit information to the Controller concerning the amount of the property tax revenue reduction to each special district within that county as a result of paragraphs (1) and (2). The Controller shall certify that the calculation of the property tax revenue reduction to each special district within that county is accurate and correct, and submit this information to the Director of Finance.

(A) The Director of Finance shall determine whether the total of the amounts of the property tax revenue reductions to special districts, as certified by the Controller, is equal to the amount that would be required to be allocated to school districts and community college districts as a result of a three hundred seventy-five million dollar (\$375,000,000) shift of property tax revenues from special districts for the 1992-93 fiscal year. If, for any year, the total of the amount of the property tax revenue reductions to special districts is less than the amount as described in the preceding sentence, the amount of property tax revenue, other than those revenues that are pledged to debt service, deemed allocated in the prior fiscal year to a special district, other than a multicounty district, a local hospital district, or a district governed by a city council or whose governing board has the same membership as a city council, shall, subject to subparagraph (B), be reduced by an amount up to 5 percent of the amount subject to reduction for that district pursuant to paragraphs (1) and (2).

(B) No reduction pursuant to subparagraph (A), in conjunction with a reduction pursuant to paragraphs (1) and (2), for any special district, other than a countywide water agency that does not sell water at retail, shall exceed an amount equal to 10 percent of that district's total annual revenues, from whatever source, as shown in the most recent State Controller's Report on Financial Transactions Concerning Special Districts. No reduction pursuant to subparagraph (A), in conjunction with a reduction pursuant to paragraphs (1) and (2), for any countywide water agency that does not sell water at retail shall exceed an amount equal to 10 percent of that portion of that agency's general fund derived from property tax revenues.

(C) In no event shall the amount of the property tax revenue loss to a special district derived pursuant to subparagraphs (A) and (B) exceed 40 percent of that district's property tax revenues or 10 percent of that district's total revenues, from whatever source.

(4) For the purpose of determining the total annual revenues of a special district that provides fire protection or fire suppression services, all of the following shall be excluded from the determination of total annual revenues:

(A) If the district had less than two million dollars (\$2,000,000) in total annual revenues in the 1991-92 fiscal year, the revenue generated by a fire suppression assessment levied pursuant to Article 3.6 (commencing with Section 50078) of Chapter 1 of Part 1 of Division 1 of Title 5 of the Government Code.

(B) Any appropriation for fire protection received by a district pursuant to Section 25642 of the Government Code.

(C) The revenue received by a district as a result of contracts entered into pursuant to Section 4133 of the Public Resources Code.

(5) For the purpose of determining the total annual revenues of a resource conservation district, all of the following shall be excluded from the determination of total annual revenues:

(A) Any revenues received by that district from the state for financing the acquisition of land, or the construction or improvement of state projects, and for which that district serves as the fiscal agent in administering those state funds pursuant to an agreement entered into between that district and a state agency.

(B) Any amount received by that district as a private gift or donation.

(C) Any amount received as a county grant or contract as supplemental to, or independent of, that district's property tax share.

(D) Any amount received by that district as a federal or state grant.

(d) (1) The amount of property tax revenues not allocated to the county, cities within the county, and special districts as a result of the reductions calculated pursuant to subdivisions (a), (b), and (c) shall instead be deposited in the Educational Revenue Augmentation Fund to be established in each county. The amount of revenue in the Educational Revenue Augmentation Fund, derived from whatever source, shall be allocated pursuant to paragraphs (2) and (3) to school districts and county offices of education, in total, and to community college districts, in total, in the same proportion that property tax revenues were distributed to school districts and county offices of education, in total, and community college districts, in total, during the 1991-92 fiscal year.

(2) The auditor shall, based on information provided by the county superintendent of schools pursuant to this paragraph, allocate the proportion of the Educational Revenue Augmentation Fund to those school districts and county offices of education within the county that are not excess tax school entities, as defined in Section 95.1. The county superintendent of schools shall determine the amount to be allocated to each school district and county office of education in inverse proportion to the amounts of property tax revenue per average daily attendance in each school district and county office of education. In no event shall any additional money be allocated from the fund to a school district or county office of education upon that school district or county office of education becoming an excess tax school entity.

(3) The auditor shall, based on information provided by the Chancellor of the California Community Colleges pursuant to this paragraph, allocate the proportion of the Educational Revenue Augmentation Fund to those community college districts within the county that are not excess tax school entities, as defined in Section 84750 of the Education Code. The chancellor shall determine the amount to be allocated to each community college district in inverse proportion to the amounts of property tax revenue per funded full-time equivalent student in each community college district. In no event shall any additional money be allocated from the fund to a community college district upon that district becoming an excess tax school entity.

(4) If, after making the allocation required pursuant to paragraph

(2), the auditor determines that there are still additional funds to be allocated, the auditor shall allocate those excess funds pursuant to paragraph (3). If, after making the allocation pursuant to paragraph (3), the auditor determines that there are still additional funds to be allocated, the auditor shall allocate those excess funds pursuant to paragraph (2).

(5) For purposes of allocations made pursuant to Section 97 for the 1993-94 fiscal year, the amounts allocated from the Educational Revenue Augmentation Fund pursuant to this subdivision, other than amounts deposited in the Educational Revenue Augmentation Fund pursuant to Section 33681 of the Health and Safety Code, shall be deemed property tax revenue allocated to the Educational Revenue Augmentation Fund in the prior fiscal year.

(e) (1) For the 1997-98 fiscal year:

(A) The amount of property tax revenue deemed allocated in the prior fiscal year to any city subject to the reduction specified in paragraph (2) of subdivision (b) shall be reduced by an amount that is equal to the difference between the amount determined for the city pursuant to paragraph (1) of subdivision (b) and the amount of the reduction determined for the city pursuant to paragraph (2) of subdivision (b).

(B) The amount of property tax revenue deemed allocated in the prior fiscal year to any county or city and county subject to the reduction specified in paragraph (2) of subdivision (a) shall be reduced by an amount that is equal to the difference between the amount specified for the county or city and county pursuant to paragraph (1) of subdivision (a) and the amount of the reduction determined for the county or city and county pursuant to paragraph (2) of subdivision (a).

(2) The amount of property tax revenues not allocated to a city or city and county as a result of this subdivision shall be deposited in the Educational Revenue Augmentation Fund described in subparagraph (A) of paragraph (1) of subdivision (d).

(3) For purposes of allocations made pursuant to Section 97 for the 1998-99 fiscal year, the amounts allocated from the Educational Revenue Augmentation Fund pursuant to this subdivision shall be deemed property tax revenues allocated to the Educational Revenue Augmentation Fund in the prior fiscal year.

(f) It is the intent of the Legislature in enacting this section that this section supersede and be operative in place of Section 97.03 of the Revenue and Taxation Code, as added by Senate Bill 617 of the 1991-92 Regular Session.

SEC. 5. Section 97.035 of the Revenue and Taxation Code is amended to read:

97.035. Notwithstanding any other provision of this chapter, the computations and allocations made by each county pursuant to Section 97, as modified by Section 97.03 for the 1992-93 fiscal year, shall be modified for the 1993-94 fiscal year pursuant to subdivisions (a) to (c), inclusive, as follows:

(a) The amount of property tax revenue deemed allocated in the prior fiscal year to each county and city and county shall be reduced by an amount to be determined by the Director of Finance in accordance with the following:

(1) The total amount of the property tax reductions for counties and cities and counties determined pursuant to this section shall be one billion nine hundred ninety-eight million dollars (\$1,998,000,000) in the 1993-94 fiscal year.

(2) The Director of Finance shall determine the amount of the reduction for each county or city and county as follows:

(A) The proportionate share of the property tax revenue reduction for each county or city and county that would have been imposed on all counties under the proposal specified in the "May Revision of the 1993-94 Governor's Budget" shall be determined by reference to the document entitled "Estimated County Property Tax Transfers Under Governor's May Revision Proposal," published by the Legislative Analyst's Office on June 1, 1993.

(B) Each county's or city and county's proportionate share of total taxable sales in all counties in the 1991-92 fiscal year shall be determined.

(C) An amount for each county and city and county shall be determined by applying its proportionate share determined pursuant to subparagraph (A) to the one billion nine hundred ninety-eight million dollar (\$1,998,000,000) statewide reduction for counties and cities and counties.

(D) An amount for each county and city and county shall be determined by applying its proportionate share determined pursuant to subparagraph (B) to the one billion nine hundred ninety-eight million dollar (\$1,998,000,000) statewide reduction for counties and cities and counties.

(E) The Director of Finance shall add the amounts determined pursuant to subparagraphs (C) and (D) for each county and city and county, and divide the resulting figure by two. The amount so determined for each county and city and county shall be divided by a factor of 1.038. The resulting figure shall be the amount of property tax revenue to be subtracted from the amount of property tax revenue deemed allocated in the prior fiscal year.

(3) The Director of Finance shall, by July 15, 1993, report to the Joint Legislative Budget Committee its determination of the amounts determined pursuant to paragraph (2).

(4) On or before August 15, 1993, the Director of Finance shall notify the auditor of each county and city and county of the amount of property tax revenue reduction determined for each county and city and county.

(5) Notwithstanding any other provision of this subdivision, the amount of the reduction specified in paragraph (2) for any county or city and county that has first implemented, for the 1993-94 fiscal year, the alternative procedure for the distribution of property tax levies authorized by Chapter 2 (commencing with Section 4701) of

Part 8 shall be reduced, for the 1993–94 fiscal year only, in the amount of any increased revenue allocated to each qualifying school entity that would not have been allocated for the 1993–94 fiscal year but for the implementation of that alternative procedure. For purposes of this paragraph, “qualifying school entity” means any school district, county office of education, or community college district that is not an excess tax school entity as defined in Section 95.1. Notwithstanding any other provision of this paragraph, the amount of any reduction calculated pursuant to this paragraph for any county or city and county shall not exceed the reduction calculated for that county or city and county pursuant to paragraph (2).

(b) The amount of property tax revenue deemed allocated in the prior fiscal year to each city shall be reduced by an amount to be determined by the Director of Finance in accordance with the following:

(1) The total amount of the property tax reductions determined for cities pursuant to this section shall be two hundred eighty-eight million dollars (\$288,000,000) in the 1993–94 fiscal year.

(2) The Director of Finance shall determine the amount of reduction for each city as follows:

(A) The amount of property tax revenue that is estimated to be attributable in the 1993–94 fiscal year to the amount of each city’s state assistance payment received by that city pursuant to Chapter 282 of the Statutes of 1979 shall be determined.

(B) A factor for each city equal to the amount determined pursuant to subparagraph (A) for that city, divided by the total of the amounts determined pursuant to subparagraph (A) for all cities, shall be determined.

(C) An amount for each city equal to the factor determined pursuant to subparagraph (B), multiplied by three hundred eighty-two million five hundred thousand dollars (\$382,500,000), shall be determined.

(D) In no event shall the amount for any city determined pursuant to subparagraph (C) exceed a per capita amount of nineteen dollars and thirty-one cents (\$19.31), as determined in accordance with that city’s population on January 1, 1993, as estimated by the Department of Finance.

(E) The amount determined for each city pursuant to subparagraphs (C) and (D) shall be the amount of property tax revenue to be subtracted from the amount of property tax revenue deemed allocated in the prior year.

(3) The Director of Finance shall, by July 15, 1993, report to the Joint Legislative Budget Committee those amounts determined pursuant to paragraph (2).

(4) On or before August 15, 1993, the Director of Finance shall notify each county auditor of the amount of property tax revenue reduction determined for each city located within that county.

(c) (1) The amount of property tax revenue deemed allocated in the prior fiscal year to each special district, as defined pursuant to

subdivision (m) of Section 95, shall be reduced by the amount determined for the district pursuant to paragraph (3) and increased by the amount determined for the district pursuant to paragraph (4). The total net amount of these changes is intended to equal two hundred forty-four million dollars (\$244,000,000) in the 1993-94 fiscal year.

(2) Notwithstanding any other provision of this subdivision, no reduction shall be made pursuant to this subdivision with respect to any of the following special districts:

(A) A local hospital district as described in Division 23 (commencing with Section 32000) of the Health and Safety Code.

(B) A water agency that does not sell water at retail, but not including an agency the primary function of which, as determined on the basis of total revenues, is flood control.

(C) A transit district.

(D) A police protection district formed pursuant to Part 1 (commencing with Section 20000) of Division 14 of the Health and Safety Code.

(E) A special district that was a multicounty special district as of July 1, 1979.

(3) On or before September 15, 1993, the county auditor shall determine an amount for each special district equal to the amount of its allocation determined pursuant to Sections 96 or 97, and 98 for the 1993-94 fiscal year multiplied by the ratio determined pursuant to paragraph (1) of subdivision (a) of Section 98.6 as that section read on June 15, 1993. In those counties that were subject to Sections 98.65, 98.66, 98.67, and 98.68, the county auditor shall determine an amount for each special district that represents the current amount of its allocation determined pursuant to Sections 96 or 97, and 98 for the 1993-94 fiscal year that is attributed to the property tax shift from schools required by Chapter 282 of the Statutes of 1979. In determining this amount, the county auditor shall adjust for the influence of increased assessed valuation within each district, including the effect of jurisdictional changes, and the reductions in property tax allocations required in the 1992-93 fiscal year by Chapters 699 and 1369 of the Statutes of 1992. In the case of a special district that has been consolidated or reorganized, the auditor shall determine the amount of its current property tax allocation that is attributable to the prior district's or districts' receipt of state assistance payments pursuant to Chapter 282 of the Statutes of 1979. Notwithstanding any other provision of this paragraph, for a special district that is governed by a city council or whose governing board has the same membership as a city council and that is a subsidiary district as defined in subdivision (e) of Section 16271 of the Government Code, the county auditor shall multiply the amount that otherwise would be calculated pursuant to this paragraph by 0.38 and the result shall be used in the calculations required by paragraph (5). In no event shall the amount determined by this paragraph be less than zero.

(4) (A) On or before September 15, 1993, the county auditor shall determine an amount for each special district that is engaged in fire protection activities, as reported to the Controller for inclusion in the 1989-90 Edition of the Financial Transactions Report Concerning Special Districts under the heading of "Fire Protection," that is equal to the amount of revenue allocated to that special district from the Special District Augmentation Fund for fire protection activities in the 1992-93 fiscal year. In the case of a special district, other than a special district governed by the county board of supervisors or whose governing body is the same as the county board of supervisors, that is engaged in fire protection activities as reported to the Controller, the county auditor shall also determine the amount by which the district's amount determined pursuant to paragraph (3) exceeds the amount by which its allocation was reduced by operation of Section 98.6 in the 1992-93 fiscal year. This amount shall be added to the amount otherwise determined for the district under this paragraph. In any county subject to Section 98.65, 98.66, 98.67, or 98.68, the county auditor shall determine for each special district that is engaged in fire protection activities an amount that is equal to the amount determined for that district pursuant to paragraph (3).

(B) For purposes of this paragraph, a special district includes any special district that is allocated property tax revenue pursuant to this chapter and does not appear in the State Controller's Report on Financial Transactions Concerning Special Districts, but is engaged in fire protection activities and appears in the State Controller's Report on Financial Transactions Concerning Counties.

(5) The total amount of property taxes allocated to special districts by the county auditor as a result of paragraph (4) shall be subtracted from the amount of property tax revenues not allocated to special districts by the county auditor as a result of paragraph (3) to determine the amount to be deposited in the Education Revenue Augmentation Fund as specified in subdivision (d).

(6) On or before September 30, 1993, the county auditor shall notify the Director of Finance of the net amount determined for special districts pursuant to paragraph (5).

(d) (1) The amount of property tax revenues not allocated to the county, city and county, cities within the county, and special districts as a result of the reductions required by subdivisions (a), (b), and (c) shall instead be deposited in the Educational Revenue Augmentation Fund established in each county or city and county pursuant to Section 97.03. The amount of revenue in the Educational Revenue Augmentation Fund, derived from whatever source, shall be allocated pursuant to paragraphs (2) and (3) to school districts and county offices of education, in total, and to community college districts, in total, in the same proportion that property tax revenues were distributed to school districts and county offices of education, in total, and community college districts, in total, during the 1992-93 fiscal year.

(2) The county auditor shall, based on information provided by

the county superintendent of schools pursuant to this paragraph, allocate that proportion of the revenue in the Educational Revenue Augmentation Fund to be allocated to school districts and county offices of education only to those school districts and county offices of education within the county that are not excess tax school entities, as defined in Section 95.1. The county superintendent of schools shall determine the amount to be allocated to each school district in inverse proportion to the amounts of property tax revenue per average daily attendance in each school district. For each county office of education, the allocation shall be made based on the historical split of base property tax revenue between the county office of education and school districts within the county. In no event shall any additional money be allocated from the Educational Revenue Augmentation Fund to a school district or county office of education upon that district or county office of education becoming an excess tax school entity. If, after determining the amount to be allocated to each school district and county office of education, the county superintendent of schools determines there are still additional funds to be allocated, the county superintendent of schools shall determine the remainder to be allocated in inverse proportion to the amounts of property tax revenue, excluding Educational Revenue Augmentation Fund moneys, per average daily attendance in each remaining school district, and on the basis of the historical split described above for each county office of education, that is not an excess tax school entity until all funds that would not result in a school district or county office of education becoming an excess tax school entity are allocated. The county superintendent of schools may determine the amounts to be allocated between each school district and county office of education to ensure that all funds that would not result in a school district or county office of education becoming an excess tax school entity are allocated.

(3) The county auditor shall, based on information provided by the Chancellor of the California Community Colleges pursuant to this paragraph, allocate that proportion of the revenue in the Educational Revenue Augmentation Fund to be allocated to community college districts only to those community college districts within the county that are not excess tax school entities, as defined in Section 95.1. The chancellor shall determine the amount to be allocated to each community college district in inverse proportion to the amounts of property tax revenue per funded full-time equivalent student in each community college district. In no event shall any additional money be allocated from the Educational Revenue Augmentation Fund to a community college district upon that district becoming an excess tax school entity.

(4) If, after making the allocation required pursuant to paragraph (2), the auditor determines that there are still additional funds to be allocated, the auditor shall allocate those excess funds pursuant to paragraph (3). If, after making the allocation pursuant to paragraph (3), the auditor determines that there are still additional funds to be

allocated, the auditor shall allocate those excess funds pursuant to paragraph (2). If, after determining the amount to be allocated to each community college district, the Chancellor of the California Community Colleges determines that there are still additional funds to be allocated, the Chancellor of the California Community Colleges shall determine the remainder to be allocated to each community college district in inverse proportion to the amounts of property tax revenue, excluding Educational Revenue Augmentation Fund moneys, per funded full-time equivalent student in each remaining community college district that is not an excess tax school entity until all funds that would not result in a community college district becoming an excess tax school entity are allocated.

(5) For purposes of allocations made pursuant to Section 97 for the 1994-95 fiscal year, the amounts allocated from the Educational Revenue Augmentation Fund pursuant to this subdivision, other than those amounts deposited in the Educational Revenue Augmentation Fund pursuant to any provision of the Health and Safety Code, shall be deemed property tax revenue allocated to the Educational Revenue Augmentation Fund in the prior fiscal year.

SEC. 6. Section 97.036 of the Revenue and Taxation Code, as added by Section 1 of Chapter 901 of the Statutes of 1993, is amended and renumbered to read:

97.034. (a) Notwithstanding any other provision of this chapter, the amount of the revenue reduction resulting from the application of subdivision (c) of Section 97.03 to an amount equal to the amount of the water quality control compliance costs of a qualified special district for the 1992-93 fiscal year shall, for purposes of property tax revenue allocations for the 1993-94 fiscal year, be added to the amount of property tax revenue deemed allocated to that district in the 1992-93 fiscal year. The water quality control compliance costs of a qualified special district for the relevant fiscal year shall also be deducted from the amount of property tax revenue subject to reduction with respect to that district under Section 97.035 for the 1993-94 fiscal year, and under any statute with respect to any subsequent fiscal year that would reduce the amount of property tax revenue deemed allocated in the prior fiscal year to that district for purposes of increasing the amount of property tax revenue to be allocated to another jurisdiction.

(b) For purposes of this section:

(1) A "qualified special district" means any special district that is required to comply with Chapter 12 (commencing with Section 13950) of Division 7 of the Water Code.

(2) "Water quality control compliance costs" mean those costs, including, but not limited to, reserves for nongrowth facility augmentation and replacement and environmental protection, that are determined by the county auditor in accordance with subdivision (a) to have been incurred by a qualified special district in complying with Chapter 12 (commencing with Section 13950) of Division 7 of the Water Code.

(c) The auditor may assess each qualified special district its share of the auditor's actual and reasonable costs of complying with this section. For purposes of this subdivision, each share of costs shall be determined in accordance with that district's proportional share of the total amount of water quality control compliance costs determined by the auditor for purposes of this section for each fiscal year.

SEC. 7. Section 97.036 of the Revenue and Taxation Code, as added by Section 11 of Chapter 905 of the Statutes of 1993, is amended to read:

97.036. (a) (1) The Director of Finance may direct the county auditor to reduce the amount of the transfer to the Educational Revenue Augmentation Fund determined pursuant to subdivision (a) of Section 97.035 for any eligible county in accordance with subdivision (b) of this section, and also shall reduce the amount of that transfer for certain counties in accordance with subdivision (c). The total amount of the reductions for all counties which may be authorized pursuant to subdivision (b) shall not exceed two million dollars (\$2,000,000).

(2) For purposes of this section, an "eligible county" is a county with a population of less than 350,000 as reported in the 1990 federal census that had a fire element of the tax bill in 1977-78, that continues to fund some portion of those costs from the county general fund in 1993-94, and that provides these services in the same manner as a special district less than countywide and has so indicated in the Controller's Report on Financial Transactions Concerning Counties.

(b) (1) For each eligible county, the county auditor may submit the following information to the Director of Finance not later than November 1, 1993:

(A) The amount of property tax allocated to the county fire district in the 1977-78 fiscal year.

(B) The amount allocated from the county budget to the county fire district in the 1978-79 fiscal year.

(C) The amount of property tax reduction for the county fire district attributable to the passage of Article XIII A of the California Constitution by the voters in the primary election in June 1978.

(D) The amount of money allocated from the county budget to the county fire district in the 1993-94 fiscal year.

(E) The amount allocated to the county fire district from the Special District Augmentation Fund in the 1992-93 fiscal year.

(2) For each eligible county that submits to the Director of Finance by November 1, 1993, the information described in paragraph (1), the Director of Finance shall make the following calculations:

(A) Multiply the amount of property tax allocated to the county fire district in the 1977-78 fiscal year by the change in the value of the property tax base for the county from the 1977-78 fiscal year to the 1978-79 fiscal year.

(B) Subtract the amount reported pursuant to subparagraph (C)

of paragraph (1) from the amount determined pursuant to subparagraph (A).

(C) Multiply the amount determined pursuant to subparagraph (B) by an amount determined by the Director of Finance to be the change in assessed value for the county from the 1978-79 fiscal year to the 1993-94 fiscal year.

(D) Multiply the amount reported pursuant to subparagraph (E) of paragraph (1) by 1.038.

(E) Add the amount determined pursuant to subparagraph (C) to the amount determined pursuant to subparagraph (D).

(F) Subtract the amount determined pursuant to subparagraph (E) from the amount reported pursuant to subparagraph (D) of paragraph (1).

(3) The Director of Finance shall determine the sum of all the amounts determined pursuant to subparagraph (F) of paragraph (2).

(4) If the sum determined pursuant to paragraph (3) is greater than two million dollars (\$2,000,000), then the Director of Finance shall proportionately reduce the amount for each county so that the total of the amounts for all counties does not exceed two million dollars (\$2,000,000). If the sum determined pursuant to subdivision (e) does not exceed two million dollars (\$2,000,000), then the Director of Finance shall not reduce the amount determined for each county.

(5) The Director of Finance shall by January 15, 1994, notify each county of its reduction in the amount to be transferred to the Educational Revenue Augmentation Fund pursuant to subdivision (a) of Section 97.035. The maximum amount of the reduction that may be authorized pursuant to this subdivision is one-half the amount determined pursuant to subparagraph (F) of paragraph (2).

(c) The amount to be transferred from a county to an Educational Revenue Augmentation Fund pursuant to subdivision (a) of Section 97.035 shall be reduced by one hundred thousand dollars (\$100,000) for the County of Madera and by two hundred thousand dollars (\$200,000) for the County of Tulare.

SEC. 8. Section 97.04 of the Revenue and Taxation Code is amended to read:

97.04. (a) Notwithstanding Section 97.03 or 97.035 or any other provision of this chapter, in implementing the changes in allocations of property tax revenues required by Sections 97.01, 97.02, 97.03, and 97.035, the county auditor may elect to determine and give effect to the changes in allocations of property tax revenues required by Sections 97.01, 97.02, 97.03, and 97.035 on a countywide, rather than tax rate area, basis. If the county auditor so elects, he or she shall ensure adequate recognition of year-to-year revenue growth so that the results of changes implemented on a countywide basis do not differ materially from the results which would be obtained from the use of a tax rate area basis.

(b) (1) Notwithstanding any other provision of law, for the

1992-93 fiscal year and each fiscal year thereafter, in any county in which property tax increment revenues are allocated to a redevelopment agency pursuant to Section 33670 of the Health and Safety Code, the county auditor shall deposit in the Educational Revenue Augmentation Fund an amount that is equal to the total amount of revenues that would be so deposited pursuant to Sections 97.01, 97.02, 97.03, and 97.035 if no reduction were made in that amount of revenues for purposes of allocations to a redevelopment agency pursuant to Section 33670 of the Health and Safety Code. Those revenues deposited in the Educational Revenue Augmentation Fund in accordance with this paragraph shall be allocated or transferred only to school districts, county offices of education, or community college districts, in accordance with subdivision (d) of either Section 97.03 or 97.035.

(2) The deposit of property tax revenue in the Educational Revenue Augmentation Fund in accordance with paragraph (1) shall not reduce or otherwise affect the amount of property tax revenue to be allocated to a redevelopment agency pursuant to subdivision (b) of Section 33670 of the Health and Safety Code, and any additional amount required to be allocated to the Educational Revenue Augmentation Fund pursuant to paragraph (1) shall be deducted from those amounts allocated to the county, cities, and special districts with respect to each tax rate area in which property tax increment revenues are allocated to a redevelopment agency. These reductions shall be made in proportion to the total amount of the reductions required with respect to the county and each city and special district in each of these redevelopment agency tax rate areas under Sections 97.01, 97.02, 97.03, and 97.035.

(3) This subdivision shall not require the modification of any property tax revenue allocation that was made by the county auditor for the 1992-93 fiscal year in a manner inconsistent with paragraph (1) or (2), if that allocation was implemented on or before June 30, 1993. However, property tax revenue allocations made in the 1993-94 fiscal year and any fiscal year thereafter shall be determined by the county auditor as if the allocations made for the 1992-93 fiscal year had been made in a manner consistent with paragraph (1).

SEC. 9. Section 19 of Chapter 905 of the Statutes of 1993, as amended by Section 20 of Chapter 906 of the Statutes of 1993, is repealed.

SEC. 10. It is the intent of the Legislature that the amendments to Section 97.03 of the Revenue and Taxation Code made by Section 4 of this act change the calculation of property tax revenue allocations for the 1992-93 fiscal year as if Chapter 1279 of the Statutes of 1993 had not been enacted.

SEC. 11. It is the intent of the Legislature in enacting subdivision (c) of Section 97.035 of the Revenue and Taxation Code to transfer from a special district to the Educational Revenue Augmentation Fund, for the 1993-94 fiscal year, a total amount of property tax revenue not to exceed that amount of property tax revenue

attributable to the amount of state assistance payments received by that special district pursuant to Chapter 282 of the Statutes of 1979, as reduced by transfers required by Section 97.03 of the Revenue and Taxation Code.

SEC. 12. The additional property tax revenue transfers that are required by Section 4 of this act to be made by each county auditor from special districts to the Educational Revenue Augmentation Fund for the 1992-93 and 1993-94 fiscal years may be performed during the 1994-95 and 1995-96 fiscal years, except that no less than 50 percent of the property tax revenue required to be transferred shall be transferred on or before June 30, 1995.

SEC. 13. Those property tax revenue transfers required by Section 8 of this act with respect to the 1993-94 fiscal year from any county that allocated property tax revenues before May 18, 1994, to either the Educational Revenue Augmentation Fund or a redevelopment agency in a manner that is inconsistent with Section 8 of this act, may be performed during the 1994-95 and 1995-96 fiscal years, except that no less than 50 percent of the property tax revenue required to be transferred shall be transferred on or before June 30, 1995. The preceding sentence shall apply only to the extent that Section 8 of this act applies to those property tax revenue reductions and transfers as required pursuant to subdivision (a) of Section 97.03 and Section 97.035 of the Revenue and Taxation Code.

SEC. 14. The Legislature finds and declares that a special law is necessary and that a general law cannot be made applicable within the meaning of Section 16 of Article IV of the California Constitution with respect to the Counties of Madera and Tulare, because those counties have been disproportionately impacted by the property tax revenue shifts required for the 1992-93 and 1993-94 fiscal years as a result of their relatively small tax bases and populations, and the unique conditions to which those counties are subject in maintaining an adequate level of fire protection services.

SEC. 15. Notwithstanding Section 17610 of the Government Code, if the Commission on State Mandates determines that Sections 4, 7, and 8 of this act contain 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. If the statewide cost of the claim for reimbursement of these costs does not exceed one million dollars (\$1,000,000), reimbursement shall be made from the State Mandates Claims Fund.

However, no reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution with respect to either Section 3 of this act, because the Legislature finds and declares that there are savings as well as costs in Section 3 of this act that, in the aggregate, do not result in additional net costs, or with respect to Section 6 of this act, because the local agency or school district has the authority to levy service charges, fees, or assessments sufficient to pay for the program or level of service mandated by

Section 6 of this act.

Notwithstanding Section 17580 of the Government Code, unless otherwise specified in this act, the provisions of this act shall become operative on the same date that the act takes effect pursuant to the California Constitution.

SEC. 16. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to effect the necessary statutory changes to implement the Budget Act of 1994 as soon as possible, it is necessary that this act take effect immediately.

CHAPTER 156

An act to amend Section 341.5 of the Code of Civil Procedure, and to amend Section 955.3 of the Government Code, relating to local government, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 9, 1994. Filed with
Secretary of State July 11, 1994.]

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

SECTION 1. Section 341.5 of the Code of Civil Procedure, as added by Assembly Bill 860 of the 1993–94 Regular Session, is amended to read:

341.5. Notwithstanding any other provision of law, any action or proceeding in which a county, city, city and county, school district, special district, or any other local agency is a plaintiff or petitioner, that is brought against the State of California challenging the constitutionality of any statute relating to state funding for counties, cities, cities and counties, school districts, special districts, or other local agencies, shall be commenced within 90 days of the effective date of the statute at issue in the action. For purposes of this section, "State of California" means the State of California itself, or any of its agencies, departments, commissions, boards, or public officials.

SEC. 2. Section 955.3 of the Government Code, as amended by Assembly Bill 860 of the 1993–94 Regular Session, is amended to read:

955.3. Notwithstanding any provision of law, when a city, county, or city and county, or local agency is a plaintiff in an action or proceeding against the State of California, the action may be tried in any city or county, or city and county, where the city, county, or city and county, or local agency is situated.

The Attorney General may, on behalf of the State of California, before answering, move to change the place of trial to Sacramento County in accordance with the provisions of Section 397 of the Code

of Civil Procedure.

For the purposes of this section, "local agency" means any governmental district, board, or agency, or any other local governmental body or corporation, or elected local public official, but shall not include the State of California or any of its agencies, departments, commissions, or boards, or elected public officials in the executive branch of the state government.

SEC. 3. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to effect the necessary statutory changes to implement the Budget Act of 1994 as soon as possible, it is necessary that this act take effect immediately.

CHAPTER 157

An act to amend Sections 44253.5 and 44280 of the Education Code, relating to teacher credentialing, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 9, 1994. Filed with
Secretary of State July 11, 1994.]

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

SECTION 1. Section 44253.5 of the Education Code is amended to read:

44253.5. (a) The commission shall develop and administer examinations on which a teacher can demonstrate his or her competence in the knowledge and skills necessary for effective teaching of limited-English-proficient pupils. For the purpose of demonstrating the competencies specified in paragraphs (5) and (6) of subdivision (c) in languages for which the commission has developed no examinations, the commission may establish guidelines for approving assessments performed by organizations that are expert in the language and culture assessed.

(b) To the extent possible, the scope and content of the examinations shall be congruent with the scope and content of the commission-approved professional preparation programs for prospective teachers of limited-English-proficient pupils.

(c) The scope and content of the examinations shall consist of the professional skills and knowledge that are determined by the commission to be necessary for effective teaching of limited-English-proficient pupils, and shall include, but need not be limited to, the following domains of professional knowledge and skill:

(1) First- and second-language development and the structure of language.

(2) Methodology of English language development and specially designed content instruction in English.

(3) Culture and cultural diversity.

(4) Methodology of content instruction in the pupil's primary language.

(5) The culture associated with a specific language group.

(6) Competence in a language other than English that is spoken by limited-English-proficient pupils in California.

(d) In the development of the examinations, the commission shall confer with selected professionals who are knowledgeable and experienced in the education of limited-English-proficient pupils, with colleges and universities that prepare teachers for limited-English-proficient pupils, and with the State Department of Education.

SEC. 2. Section 44280 of the Education Code is amended to read: 44280. The adequacy of subject matter preparation and the basis for assignment of certified personnel shall be determined by the successful passage of a subject matter examination as certified by the commission, except as specifically waived as set forth in Article 6 (commencing with Section 44310) of this chapter. For the purpose of determining the adequacy of subject matter knowledge of languages for which there are no adequate examinations, the commission may establish guidelines for accepting assessments performed by organizations that are expert in the language and culture assessed.

SEC. 3. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to issue certificates to teachers who have the essential skills and knowledge necessary to meet the educational needs of limited-English-proficient pupils who speak low incidence languages, it is necessary that the provisions of this act take effect immediately.

CHAPTER 158

An act to amend Sections 32 and 38 of, to add Sections 32.1, 32.2, and 32.7 to, and to repeal Section 56.5 of, the Humboldt Bay Harbor, Recreation, and Conservation District Act (Ch. 1283, Stats. 1970) relating to the Humboldt Bay Harbor, Recreation, and Conservation District.

[Approved by Governor July 9, 1994. Filed with
Secretary of State July 11, 1994.]

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

SECTION 1. Section 32 of the Humboldt Bay Harbor, Recreation, and Conservation District Act, Chapter 1283 of the Statutes of 1970, is amended to read:

Sec. 32. The district may perform the functions of warehousemen, stevedores, lighterers, reconditioners, shippers, and reshippers of properties of all kinds.

The board may manage the business of the district and promote the maritime and commercial interests by proper advertisement of its advantages and, by the solicitation of business within or without the district, within other states, or in foreign countries, through employees or agencies.

Within the boundaries of the district, the district may acquire, purchase, takeover, construct, maintain, operate, develop, and regulate bunkering facilities, belt or other railroads, floating plants, lighterage, towage facilities, and any and all other facilities, aids, equipment, or property necessary for, or incident to, the development and operation of a harbor or for the accommodation and promotion of commerce, navigation, or fisheries in the district.

SEC. 2. Section 32.1 is added to the Humboldt Bay Harbor, Recreation, and Conservation District Act, Chapter 1283 of the Statutes of 1970, to read:

Sec. 32.1. The Legislature finds and declares all of the following:

(a) It is the policy of the state to ensure the safety of persons, vessels, and property at Humboldt Bay, and to avoid damage to those waters and surrounding ecosystems as a result of vessel collision or damage by providing competent, efficient, and regulated pilotage for vessels.

(b) The maritime industry is necessary for the continued economic well-being and cultural development of California.

(c) Humboldt Bay provides a vital transportation route for industry.

(d) Increased vessel size, traffic, and cargoes carried in bulk create substantial hazards to life, property, and values associated with Humboldt Bay.

(e) The federal government historically has endorsed the policy of providing minimum standards to assure the safety of ports and waterways while encouraging state control over pilot qualifications and licensing.

(f) A program of pilot regulation and licensing is necessary to ascertain and guarantee the qualifications, fitness, and reliability of personnel for safe pilotage of vessels in Humboldt Bay.

(g) The need to assure safe and pollution free waterborne commerce requires that pilotage services be employed in the confined and crowded waters of Humboldt Bay.

(h) Bar pilotage in Humboldt Bay has been continuously regulated by a state board since 1850 and that regulation and licensing should continue.

SEC. 3. Section 32.2 is added to the Humboldt Bay Harbor, Recreation, and Conservation District Act, Chapter 1283 of the Statutes of 1970, to read:

Sec. 32.2. (a) Except where the regulation and control of vessel movement is within the exclusive jurisdiction of the Captain of the Port for the United States Coast Guard, the board shall regulate and control all vessel anchoring, docking, mooring, and movement within the jurisdictional limits of the district.

(b) The board may issue a license to any person it determines to be qualified to pilot vessels on waters within the district's jurisdiction.

(c) Any person who, on January 1, 1994, holds a federal maritime officer's license endorsed for pilotage in Humboldt Bay, and who actually has been engaged, since January 1, 1991, as a pilot or a person training to be a pilot, in pilotage in Humboldt Bay waters, shall be issued a license.

(d) A pilot's license shall be issued in the name of the State of California and contain a designation of the waters within the jurisdiction of the district for which it is valid. The license shall be signed by the president on behalf of the board for the State of California.

SEC. 4. Section 32.7 is added to the Humboldt Bay Harbor, Recreation, and Conservation District Act, Chapter 1283 of the Statutes of 1970, to read:

Sec. 32.7. (a) When a pilot boards a vessel, the pilot becomes the servant of the vessel and its owner and operator. Nothing in this act exempts the vessel or its owner or operator from liability to persons or property for damage or loss caused by the vessel or its operation on the ground that (a) the vessel was piloted by a pilot, or (b) the damage or loss was incurred as a result of the error, omission, fault, or neglect of a pilot.

(b) All claims and actions against the district and its employees are governed by Division 3.6 (commencing with Section 810) of Title 1 of the Government Code except as expressly provided therein or as expressly provided by any other law.

SEC. 5. Section 38 of the Humboldt Bay Harbor, Recreation, and Conservation District Act, Chapter 1283 of the Statutes of 1970, is amended to read:

Sec. 38. (a) The board may make and enforce all necessary rules and regulations governing the use and control of all navigable waters, all filled or unfilled tidelands and submerged lands, and all other lands within the jurisdictional limits of the district.

(b) The board may do either of the following:

(1) Establish and maintain a system of harbor police or harbor fire protection, or both, within the jurisdictional limits of the district for the enforcement of the ordinances, rules, and regulations of the district, and employ the necessary officers, who shall, as to those

matters, have all the power of peace officers and firemen and firewomen within the district.

(2) Contract with the governmental entities whose territorial limits are adjacent to or contiguous to those of the district to provide harbor police or harbor fire protection services, or both.

SEC. 6. Section 56.5 of the Humboldt Bay Harbor, Recreation, and Conservation District Act, Chapter 1283 of the Statutes of 1970, is repealed.

SEC. 7. Notwithstanding Section 17610 of the Government Code, 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. If the statewide cost of the claim for reimbursement does not exceed one million dollars (\$1,000,000), reimbursement shall be made from the State Mandates Claims Fund. Notwithstanding Section 17580 of the Government Code, unless otherwise specified in this act, the provisions of this act shall become operative on the same date that the act takes effect pursuant to the California Constitution.

CHAPTER 159

An act to add Section 353.1 to the Welfare and Institutions Code, relating to juveniles.

[Approved by Governor July 9, 1994. Filed with
Secretary of State July 11, 1994.]

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

SECTION 1. Section 353.1 is added to the Welfare and Institutions Code, to read:

353.1. (a) At the hearing on a petition filed pursuant to Article 8 (commencing with Section 325) of this chapter, any person adjudged a dependent child of the juvenile court shall be informed, both verbally and in writing by the court as provided in subdivision (b), of both of the following:

(1) His or her rights pursuant to Section 388.

(2) The procedure for bringing a petition pursuant to Section 388, including the availability of all appropriate and necessary Judicial Council forms.

(b) Where the dependent child has attained the age of 12 years or older, the court shall directly inform the child as required above in clear language appropriate for the child's level of cognitive development. Where the dependent child is under the age of 12 years, the court shall inform the child as required above through the child's guardian ad litem or legal counsel.

CHAPTER 160

An act to amend Section 7155.5 of the Health and Safety Code, relating to anatomical gifts.

[Approved by Governor July 9, 1994. Filed with
Secretary of State July 11, 1994.]

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

SECTION 1. Section 7155.5 of the Health and Safety Code is amended to read:

7155.5. (a) An anatomical gift authorizes any reasonable examination necessary to assure medical acceptability of the gift for the purposes intended. All donors shall be screened for infectious diseases, including human immunodeficiency virus (HIV) antibody testing, pursuant to regulations adopted by the State Department of Health Services.

(b) The provisions of this chapter are subject to the laws of this state governing autopsies.

(c) A hospital, physician, surgeon, coroner, medical examiner, local public health officer, enucleator, technician, or other person, who acts in accordance with this chapter or with the applicable anatomical gift law of another state or a foreign country or attempts in good faith to do so is not liable for that act in a civil action or criminal proceeding.

(d) An individual who makes an anatomical gift pursuant to Section 7150.5 or 7151 and the individual's estate or heirs are not liable for any injury, damage, or cost that may result from the making or the use of the anatomical gift.

CHAPTER 161

An act to amend Section 22659.5 of the Vehicle Code, relating to vehicles, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 9, 1994. Filed with
Secretary of State July 11, 1994.]

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

SECTION 1. Section 22659.5 of the Vehicle Code is amended to read:

22659.5. (a) Notwithstanding any other provision of law, the County of San Diego, any city in that county, the City of Oakland, the City of Signal Hill, the City of Long Beach, and the City of Los Angeles with respect to that portion of that city situated in the San

Fernando Valley statistical area, as described in subdivision (c) of Section 11093 of the Government Code, may adopt an ordinance establishing a five-year pilot program which implements procedures for declaring any motor vehicle a public nuisance when the vehicle is used in the commission of an act in violation of subdivision (b) of Section 647 of the Penal Code, and there is a conviction of the underlying offense.

(b) The ordinance may also include procedures to enjoin and abate the declared nuisance by ordering the defendant not to use the vehicle again for purposes of violating subdivision (b) of Section 647 of the Penal Code and authorizing the temporary impoundment of the vehicle that the court has declared a nuisance if the defendant violates the order within one year of the court's declaration that the vehicle is a nuisance.

(c) The only action that may be taken to enjoin and abate the declared nuisance are those actions specified in subdivision (b).

(d) Any procedures implemented pursuant to this section shall ensure that no vehicle shall be declared a nuisance in either of the following circumstances:

(1) The vehicle is stolen, unless the identity of the legal and registered owners of the vehicle cannot reasonably be ascertained.

(2) The vehicle is owned by another, or there is a community property interest in the vehicle owned by a person other than the defendant and the vehicle is the only one available to the defendant's immediate family that may be operated on the highway with a class 3 or class 4 driver's license.

(e) This section shall remain in effect only until January 1, 1999, and as of that date is repealed, unless a later enacted statute, which is enacted before January 1, 1999, deletes or extends that date.

SEC. 2. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to authorize the City of Long Beach, the City of Signal Hill, and the City of Los Angeles, as to the San Fernando Valley portion of that city, to participate in the pilot program authorized by specified provisions of the Vehicle Code at the earliest possible time, it is necessary that this act take effect immediately.

CHAPTER 162

An act to add Section 76101.5 to the Government Code, relating to courts, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 9, 1994. Filed with
Secretary of State July 11, 1994.]

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

SECTION 1. Section 76101.5 is added to the Government Code, to read:

76101.5. Notwithstanding any other provision of this article or Article 3 (commencing with Section 76200), following a public hearing, the board of supervisors of a county of the first class which has established both a Courthouse Construction Fund and a Criminal Justice Facilities Construction Fund pursuant to the provisions of this chapter may by resolution provide for the transfer of deposits from one fund to the other.

SEC. 2. This act is an urgency measure necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

There is an unprecedented fiscal crisis in the funding of municipal, superior, and justice courts and criminal justice facilities and the furniture, fixtures, and equipment necessary to place the courts and criminal justice facilities into operation. Revenues for the funding of court and criminal justice facilities funding have been less than anticipated due to the economic recession, the inability of traffic and parking law violators to pay penalty assessments, and the use by the courts of alternatives to monetary penalties. This act will provide counties of the first class which have established courthouse and criminal justice facilities construction funds needed authority to transfer moneys from one such fund to another, as needed to meet obligations in construction projects, to acquire fixtures, furniture, equipment, and other items necessary to put buildings to use in a timely manner, and to use those transfers to take advantage of opportunities to achieve overall cost savings.

CHAPTER 163

An act to amend Sections 40041 and 40043 of the Education Code, relating to school facilities.

[Approved by Governor July 9, 1994. Filed with Secretary of State July 11, 1994.]

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

SECTION 1. Section 40041 of the Education Code is amended to read:

40041. (a) There is a civic center at each and every public school facility and grounds within the state where the citizens, parent-teachers' associations, camp fire girls, boy scout troops, farmers' organizations, school-community advisory councils, senior citizens' organizations, clubs, and associations formed for recreational, educational, political, economic, artistic, or moral activities of the public school districts may engage in supervised recreational activities, and where they may meet and discuss, from time to time, as they may desire, any subjects and questions which in their judgment pertain to the educational, political, economic, artistic, and moral interests of the citizens of the communities in which they reside.

(b) The governing board of any school district may grant the use of school facilities or grounds as a civic center upon the terms and conditions the board deems proper, subject to the limitations, requirements, and restrictions set forth in this article, for any of the following purposes:

(1) Public, literary, scientific, recreational, educational, or public agency meetings.

(2) The discussion of matters of general or public interest.

(3) The conduct of religious services for temporary periods, on a one-time or renewable basis, by any church or religious organization that has no suitable meeting place for the conduct of the services, provided the governing board charges the church or religious organization using the school facilities or grounds a fee as specified in subdivision (d) of Section 40043.

(4) Child care or day care programs to provide supervision and activities for children of preschool and elementary school age.

(5) The administration of examinations for the selection of personnel or the instruction of precinct board members by public agencies.

(6) Supervised recreational activities including, but not limited to, sports league activities for youths that are arranged for and supervised by entities, including religious organizations or churches, and in which youths may participate regardless of religious belief or denomination.

(7) Other purposes deemed appropriate by the governing board.

SEC. 2. Section 40043 of the Education Code is amended to read: 40043. (a) The governing board of any school district shall authorize the use of any school facilities or grounds under its control, when an alternative location is not available, to nonprofit organizations, and clubs or associations organized to promote youth and school activities, including, but not limited to:

- (1) Girl Scouts, Boy Scouts, Camp Fire, Inc.
- (2) Parent-teachers' associations.
- (3) School-community advisory councils.

This subdivision shall not apply to any group that uses school facilities or grounds for fundraising activities that are not beneficial to youth or public school activities of the district, as determined by the governing board.

(b) Except as otherwise provided by law, the governing board may charge an amount not to exceed its direct costs for use of its school facilities. Each governing board that decides to levy these charges shall first adopt a policy specifying which activities shall be charged an amount not to exceed direct costs.

(c) The governing board of any school district may charge an amount not to exceed its direct costs for use of its school facilities by any entity, including a religious organization or church, that arranges for and supervises sports league activities for youths as described in paragraph (6) of subdivision (b) of Section 40041.

(d) The governing board of any school district that authorizes the use of school facilities or grounds for the purpose specified in paragraph (3) of subdivision (b) of Section 40041 shall charge the church or religious denomination an amount at least equal to the district's direct costs.

(e) In the case of entertainments or meetings where admission fees are charged or contributions are solicited and the net receipts are not expended for the welfare of the pupils of the district or for charitable purposes, a charge shall be levied for the use of school facilities or grounds which charge shall be equal to fair rental value.

(f) If any group activity results in the destruction of school property, the group may be charged for an amount necessary to repay the damages, and further use of facilities may be denied.

(g) As used in this section, "direct costs" to the district for the use of school facilities or grounds means those costs of supplies, utilities, janitorial services, services of any other district employees, and salaries paid school district employees necessitated by the organization's use of the school facilities and grounds of the district.

(h) As used in this section, "fair rental value" means the direct costs to the district, plus the amortized costs of the school facilities or grounds used for the duration of the activity authorized.

(i) Any school district authorizing the use of school facilities or grounds under subdivision (a) shall be liable for any injuries resulting from the negligence of the district in the ownership and maintenance of those facilities or grounds. Any group using school facilities or grounds under subdivision (a) shall be liable for any

injuries resulting from the negligence of that group during the use of those facilities or grounds. The district and the group shall each bear the cost of insuring against its respective risks and shall each bear the costs of defending itself against claims arising from those risks. Notwithstanding any other provision of law, this subdivision shall not be waived. Nothing in this subdivision shall be construed to limit or affect the immunity or liability of a school district under Division 3.6 (commencing with Section 810) of Title 1 of the Government Code, for injuries caused by a dangerous condition of public property.

CHAPTER 164

An act to amend Section 3102 of the Family Code, relating to family law.

[Approved by Governor July 9, 1994. Filed with
Secretary of State July 11, 1994.]

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

SECTION 1. Section 3102 of the Family Code is amended to read:
3102. (a) If either parent of an unemancipated minor child is deceased, the children, siblings, parents, and grandparents of the deceased parent may be granted reasonable visitation with the child during the child's minority upon a finding that the visitation would be in the best interest of the minor child.

(b) In granting visitation pursuant to this section to a person other than a grandparent of the child, the court shall consider the amount of personal contact between the person and the child before the application for the visitation order.

(c) This section does not apply if the child has been adopted by a person other than a stepparent or grandparent of the child. Any visitation rights granted pursuant to this section before the adoption of the child automatically terminate if the child is adopted by a person other than a stepparent or grandparent of the child.

CHAPTER 165

An act to add Article 6 (commencing with Section 53368) to Chapter 2.5 of Part 1 of Division 2 of Title 5 of the Government Code, relating to community facilities districts.

[Approved by Governor July 9, 1994. Filed with Secretary of State July 11, 1994.]

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

SECTION 1. Article 6 (commencing with Section 53368) is added to Chapter 2.5 of Part 1 of Division 2 of Title 5 of the Government Code, to read:

Article 6. Transfer of Community Facilities Districts

53368. Unless the context otherwise requires, the definitions contained in this section shall govern the construction of this article.

(a) "City" means any city, including a chartered city.

(b) "County" means any county of the state.

(c) "Districts" means community facilities districts created pursuant to this chapter.

(d) "Governing boards" means, in the case of the county, the board of supervisors of the county and, in the case of the city, the city council of the city.

53368.1. Notwithstanding any other provision of law, the authority for the governance of one or more districts may be transferred from the jurisdiction of a county to the jurisdiction of a city upon written agreement entered into between the governing boards of the county and the city and satisfaction of any conditions contained in the agreement and the conditions to transfer contained in Section 53368.2.

(a) The legislative body empowered pursuant to this chapter to exercise all authority over the district shall be the governing board of the city.

(b) The legal name of the district shall be changed so that the words "County of _____" are deleted therefrom and replaced by the words "City of _____."

(c) Neither a county nor any of its officers, members, employees, or agents shall bear any liability for any action taken with regard to the district on or after the effective date of the transfer of jurisdiction.

53368.2. The transfer of jurisdiction of a district from the governing board of the county to the governing board of the city shall be effective only if the following shall have occurred:

(a) An amended boundary map shall have been recorded with respect to the district with the county recorder in conformity with this subdivision. The amended map shall comply with the

requirements of Section 3110 of the Streets and Highways Code, except that the word "proposed" shall not appear on the face of the map and the date and number of the resolution referred to in paragraph (2) of subdivision (b) of Section 3110 shall be the date and number of the resolution adopted by the governing board of the city authorizing the transfer. The amended boundary map shall include on its face the new name of the district and a statement to the effect that it amends the boundary map for (here insert original name or number of district or both the name and number of district, together with county), State of California, prior recorded at book _____ of maps of assessment and community facilities districts at page _____ in the office of the county recorder for the County of _____, State of California. The county recorder shall endorse, file, and cross-index the amended boundary map in accordance with Section 3113 of the Streets and Highways Code.

(b) An amended notice of special tax lien shall be recorded with the county recorder in the form required by Section 3114.5 of the Streets and Highways Code which shall reference the original notice which it is amending; provided, however, that the notice shall state the amended name of the district, reference the amended boundary map filed in accordance with subdivision (a) and the names of the owners and the list of assessor's parcel numbers to be appended to the amended notice shall be the list that was attached to the original notice of special tax lien that was filed with respect to the district. The county recorder shall record the amended notice of special tax lien, endorse it, and index it, as further provided in Section 3114.5 of the Streets and Highways Code. The provisions of Section 3115.5 of the Streets and Highways Code shall apply to the amended notice of special tax lien as if it were a notice of special tax lien recorded pursuant to Section 3114.5 of the Streets and Highways Code.

(c) The clerk of the governing board of the city shall have mailed notice to each property owner within the district as set forth on the latest secured assessment roll of the county, which notice shall state the amended name of the district, the effective date of the transfer of jurisdiction, the name and telephone number of the person or office at the city that will be responsible for annually preparing the current roll of special tax levy, as required by subdivision (a) of Section 53340.2, and from whom the notice specified in subdivision (b) of Section 53340.2 and other information regarding the district may be obtained.

(d) The city shall have adopted policies as required by Section 53312.7.

(e) For a district with outstanding bonded indebtedness, replacement bonds stating that the transfer of jurisdiction is being made in accordance with this article shall have been executed and delivered by the governing board of the city and delivered to the fiscal agent for the bonds.

(f) The governing board of the county shall have adopted a resolution granting its final consent to the transfer of jurisdiction for

the district.

53368.3. Neither the enactment of this article nor any action taken pursuant hereto with respect to the transfer of jurisdiction of a district, nor the failure of any property owner to receive notice as provided in subdivision (c) of Section 53368.2, shall in any way impair any existing special tax lien, the priority thereof, any pledge of special taxes or other revenues to the repayment of any bonds or the validity of any bonds of a district.

CHAPTER 166

An act to amend Section 78022 of the Education Code, relating to postsecondary education.

[Approved by Governor July 9, 1994. Filed with
Secretary of State July 11, 1994.]

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

SECTION 1. Section 78022 of the Education Code is amended to read:

78022. (a) Faculty in all credit and noncredit contract education classes shall be selected and hired according to procedures existing in a community college district for the selection of instructors for credit classes.

(b) Faculty teaching credit and noncredit contract education classes shall be compensated in the same manner as comparable faculty in the regular, noncontract education program. This subdivision does not apply to faculty teaching in contract education programs conducted outside California for the United States armed forces, unless the faculty member is covered by a collective bargaining agreement.

(c) Faculty teaching credit or noncredit contract education classes shall be evaluated according to the procedures used for the evaluation of faculty in the regular, noncontract education program.

(d) Faculty teaching not-for-credit contract education classes shall be compensated in the same manner as faculty in the regular, noncontract education program if the course meets the same standards as a course in the credit curriculum. This subdivision does not apply to faculty teaching in contract education programs conducted outside California for the United States armed forces, unless the faculty member is covered by a collective bargaining agreement.

(e) Faculty teaching not-for-credit contract educational programs shall be evaluated according to procedures specified in the contract between the community college district and the public or private entity to establish the program.

(f) This section shall not be construed to restrict the appearance

of guest lecturers in any programs or classes operated by a community college district.

CHAPTER 167

An act to amend Section 799.66 of the Civil Code, relating to recreational vehicle parks.

[Approved by Governor July 9, 1994. Filed with
Secretary of State July 11, 1994.]

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

SECTION 1. Section 799.66 of the Civil Code is amended to read:
799.66. The management may terminate or refuse to renew the right of occupancy of a tenant for other than nonpayment of rent or other charges upon the giving of a written notice to the tenant in the manner prescribed by Section 1162 of the Code of Civil Procedure to remove the recreational vehicle from the park. The notice need not state the cause for termination but shall provide not less than 30 days' notice of termination of the tenancy.

CHAPTER 168

An act to amend Sections 1803.6 and 1810.12 of the Civil Code, relating to retail installment sales.

[Approved by Governor July 9, 1994. Filed with
Secretary of State July 11, 1994.]

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

SECTION 1. Section 1803.6 of the Civil Code is amended to read:
1803.6. A contract may provide that for each installment in default for a period of not less than 10 days the buyer shall pay a delinquency charge in an amount not in excess of ten dollars (\$10). Only one delinquency charge may be collected on any installment regardless of the period during which it remains in default. Payments timely received by the seller under a written extension or deferral agreement shall not be subject to any delinquency charge. The contract may also provide for payment of any actual and reasonable costs of collection occasioned by removal of the goods from the state without written permission of the holder, or by the failure of the buyer to notify the holder of any change of residence, or by the failure of the buyer to communicate with the holder for a period of 45 days after any default in making payments due under the contract.

SEC. 2. Section 1810.12 of the Civil Code is amended to read:

1810.12. Notwithstanding Section 1810.4, a seller or holder of a retail installment account may, subject to subdivision (d) of Section 1810.3, provide that for each installment in default for a period of not less than 10 days the buyer shall pay a delinquency charge in an amount not in excess of ten dollars (\$10). Only one delinquency charge may be collected on any installment regardless of the period during which it remains in default. No delinquency charge shall be imposed for any default of payment on any purchase made prior to the mailing or delivery to the buyer of the written disclosure concerning the delinquency charge provided by the seller or holder of a retail installment account pursuant to subdivision (d) of Section 1810.3. Payments timely received by the seller under a written extension or deferral agreement shall not be subject to any delinquency charge. The agreement may also provide for payment of any actual and reasonable costs of collection occasioned by removal of the goods from the state without written permission of the holder, or by the failure of the buyer to notify the holder of any change of residence, or by the failure of the buyer to communicate with the holder for a period of 45 days after any default in making payments due under the agreement.

CHAPTER 169

An act to amend Section 1387 of the Penal Code, relating to criminal procedure.

[Approved by Governor July 9, 1994. Filed with
Secretary of State July 11, 1994.]

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

SECTION 1. Section 1387 of the Penal Code is amended to read:

1387. (a) An order terminating an action pursuant to this chapter, or Section 859b, 861, 871, or 995, is a bar to any other prosecution for the same offense if it is a felony or if it is a misdemeanor charged together with a felony and the action has been previously terminated pursuant to this chapter, or Section 859b, 861, 871, or 995, or if it is a misdemeanor not charged together with a felony, except in those felony cases, or those cases where a misdemeanor is charged with a felony, where subsequent to the dismissal of the felony or misdemeanor the judge or magistrate finds any of the following:

(1) That substantial new evidence has been discovered by the prosecution which would not have been known through the exercise of due diligence at, or prior to, the time of termination of the action.

(2) That the termination of the action was the result of the direct intimidation of a material witness, as shown by a preponderance of the evidence.

(3) That the termination of the action was the result of the failure to appear by the complaining witness, who had been personally subpoenaed in a prosecution arising under subdivision (e) of Section 243 or Section 262, 273.5, or 273.6. This paragraph shall apply only within six months of the original dismissal of the action, and may be invoked only once in each action. Nothing in this section shall preclude a defendant from being eligible for diversion.

(b) Notwithstanding subdivision (a), an order terminating an action pursuant to this chapter is not a bar to another prosecution for the same offense if it is a misdemeanor charging an offense based on an act of domestic violence, as defined in subdivisions (a) and (b) of Section 13700, and the termination of the action was the result of the failure to appear by the complaining witness, who had been personally subpoenaed. This subdivision shall apply only within six months of the original dismissal of the action, and may be invoked only once in each action. Nothing in this subdivision shall preclude a defendant from being eligible for diversion.

(c) An order terminating an action is not a bar to prosecution if a complaint is dismissed before the commencement of a preliminary hearing in favor of an indictment filed pursuant to Section 944 and the indictment is based upon the same subject matter as charged in the dismissed complaint, information, or indictment.

However, if the previous termination was pursuant to Section 859b, 861, 871, or 995, the subsequent order terminating an action is not a bar to prosecution if:

(1) Good cause is shown why the preliminary examination was not held within 60 days from the date of arraignment or plea.

(2) The motion pursuant to Section 995 was granted because of any of the following reasons:

(A) Present insanity of the defendant.

(B) A lack of counsel after the defendant elected to represent himself or herself rather than being represented by appointed counsel.

(C) Ineffective assistance of counsel.

(D) Conflict of interest of defense counsel.

(E) Violation of time deadlines based upon unavailability of defense counsel.

(F) Defendant's motion to withdraw a waiver of the preliminary examination.

(3) The motion pursuant to Section 995 was granted after dismissal by the magistrate of the action pursuant to Section 871 and was recharged pursuant to Section 739.

CHAPTER 170

An act to amend Section 1305.3 of the Penal Code, relating to bail forfeiture.

[Approved by Governor July 9, 1994. Filed with
Secretary of State July 11, 1994.]

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

SECTION 1. Section 1305.3 of the Penal Code is amended to read:

1305.3. The district attorney, county counsel, or applicable prosecuting agency, as the case may be, shall recover, out of the forfeited bail money, the costs incurred in successfully opposing a motion to vacate the forfeiture and in collecting on the summary judgment prior to the division of the forfeited bail money between the cities and counties in accordance with Section 1463.

CHAPTER 171

An act to add Section 25611.2 to the Business and Professions Code, relating to alcoholic beverages.

[Approved by Governor July 9, 1994. Filed with
Secretary of State July 11, 1994.]

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

SECTION 1. Section 25611.2 is added to the Business and Professions Code, to read:

25611.2. Nothing in this chapter shall prohibit any alcoholic beverage manufacturer or manufacturer's agent, or winegrower from furnishing or giving electronic data services to a licensed retail premises. For purposes of this section, "electronic data services" are limited to the transmission by telephone line, microwave, or other electronic means of data relating to retailer inventory of the manufacturer's or winegrower's brands, monitoring of brand sales performance, and electronic funds transfer.

CHAPTER 172

An act to amend Sections 44267.5, 44877, 49422, and 49426 of the Education Code, relating to school nurses.

[Approved by Governor July 9, 1994. Filed with
Secretary of State July 11, 1994.]

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

SECTION 1. Section 44267.5 of the Education Code is amended to read:

44267.5. (a) The minimum requirements for a services credential with a specialization in health for a school nurse are all of the following:

(1) A baccalaureate or higher degree from an accredited institution.

(2) A valid California license as a registered nurse.

(3) One year of coursework beyond the baccalaureate degree in a program approved by the commission.

(b) The period for which a services credential with a specialization in health for a school nurse is valid, shall be as follows:

(1) For a preliminary credential, pending completion of the one year of coursework beyond the baccalaureate degree in a program approved by the commission, five years.

(2) For the professional credential, after completion of requirements specified by the commission, five years.

(c) The services credential with a specialization in health for a school nurse shall authorize the holder to perform, at grades 12 and below, the health services approved by the commission and designated on the credential.

(d) The holder of a services credential with a specialization in health for a school nurse who also completes the requirements for a special class authorization in health in a program that is approved by the commission is authorized to teach classes on health in a preschool, kindergarten, grades 1 to 12, inclusive, and classes organized primarily for adults.

SEC. 2. Section 44877 of the Education Code is amended to read:

44877. The qualifications for a nurse shall be a valid certificate of registration issued by the Board of Nurse Examiners of the State of California or the California Board of Nursing Education and Nurse Registration and a health and development credential, a standard designated services credential with a specialization in health, or a services credential with a specialization in health.

The services credential with a specialization in health authorizing service as a school nurse shall not authorize teaching services unless the holder also completes the requirements for a special class authorization in health in a program that is approved by the commission.

On and after January 1, 1981, the qualifications for a nurse shall also include proof satisfactory to the school district that the nurse has acquired training in child abuse and neglect detection. This requirement may be satisfied through participation by the nurse in continuing education activities relating to child abuse and neglect detection and treatment.

SEC. 3. Section 49422 of the Education Code is amended to read:

49422. No physician, psychiatrist, oculist, dentist, dental hygienist, optometrist, otologist, podiatrist, audiologist, or nurse not employed in that capacity by the State Department of Health Services, shall be, nor shall any other person be, employed or permitted to supervise the health and physical development of pupils unless he or she holds a services credential with a specialization in health or a valid credential issued prior to the operative date of the amendment to this section enacted at the 1970 Regular Session of the Legislature.

Any psychologist employed pursuant to Section 49403, and this article shall hold a school psychologist credential, a general pupil personnel services credential authorizing service as a school psychologist, a standard designated services credential with a specialization in pupil personnel services authorizing service as a psychologist, or services credential issued by the State Board of Education or Commission on Teacher Credentialing.

The services credential with a specialization in health authorizing service as a school nurse shall not authorize teaching services unless the holder also completes the requirements for a special class authorization in health in a program that is approved by the commission.

No physician employed by a district to perform medical services pursuant to Section 44873, shall be required to hold a credential issued by the State Board of Education or commission, provided he or she meets the requirements of Section 44873.

SEC. 4. Section 49426 of the Education Code is amended to read:

49426. A school nurse is a registered nurse currently licensed under Chapter 6 (commencing with Section 2700) of Division 2 of the Business and Professions Code, and who has completed the additional educational requirements for, and possesses a current credential in, school nursing pursuant to Section 44877.

School nurses strengthen and facilitate the educational process by improving and protecting the health status of children and by identification and assistance in the removal or modification of health-related barriers to learning in individual children. The major focus of school health services is the prevention of illness and disability, and the early detection and correction of health problems. The school nurse is especially prepared and uniquely qualified in preventive health, health assessment, and referral procedures.

Nothing in this section shall be construed to limit the scope of professional practice or otherwise to change the legal scope of practice for any registered nurse or other licensed healing arts

practitioner. Rather, it is the intent of the Legislature to provide positively for the health services, many of which may be performed in the public schools only by physicians and school nurses. School nurses may perform, if authorized by the local governing board, the following services:

(a) Conduct immunization programs pursuant to Section 49403 and assure that every pupil's immunization status is in compliance with the law, including parental or guardian consent, and good health practice.

(b) Assess and evaluate the health and developmental status of pupils to identify specific physical disorders and other factors relating to the learning process, communicate with the primary care provider, and contribute significant information in order to modify the pupils' educational plans.

(c) Interpret the health and developmental assessment to parents, teachers, administrators, and other professionals directly concerned with the pupil.

(d) Design and implement a health maintenance plan to meet the individual health needs of the students, incorporating plans directed by a physician.

(e) Refer the pupil and his or her parent or guardian to appropriate community resources for necessary services.

(f) Maintain communication with parents and all involved community practitioners and agencies to promote needed treatment and secure reports of findings pertinent to educational planning.

(g) Interpret medical and nursing findings appropriate to the student's individual educational plan and make recommendations to professional personnel directly involved.

(h) Consult with, conduct in-service training to, and serve as a resource person to teachers and administrators, and act as a participant in implementing any section or sections of a comprehensive health instruction curriculum for students by providing current scientific information regarding nutrition, preventive dentistry, mental health, genetics, prevention of communicable diseases, self-health care, consumer education, and other areas of health.

(i) Counsel pupils and parents by:

(1) Assisting children and youth, parents, and school personnel in identifying and utilizing appropriate and mutually acceptable private and community health delivery services for professional care and remediation of defects.

(2) Counseling with parents, pupils and school staff regarding health-related attendance problems.

(3) Helping parents, school personnel and pupils understand and adjust to physical, mental and social limitations.

(4) Exploring with families and pupils, attitudes, information and values which affect their health behavior.

(j) Assist parents and pupils to solve financial, transportation and other barriers to needed health services.

The holder of a services credential with a specialization in health for a school nurse who also completes the requirements for a special class authorization in health in a program that is approved by the commission is authorized to teach classes on health in a preschool, kindergarten, grades 1 to 12, inclusive, and classes organized primarily for adults.

CHAPTER 173

An act to amend Section 24428.5 of the Health and Safety Code, relating to industrial containers.

[Approved by Governor July 9, 1994. Filed with
Secretary of State July 11, 1994.]

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

SECTION 1. Section 24428.5 of the Health and Safety Code is amended to read:

24428.5. This chapter shall become operative on September 1, 1993, and shall remain in effect unless or until preempted by federal law. Notwithstanding this section, any industrial containers, as defined in Section 24425, manufactured prior to September 1, 1993, shall not be subject to this chapter.

CHAPTER 174

An act to amend Section 21662 of the Business and Professions Code, relating to swap meets.

[Approved by Governor July 9, 1994. Filed with
Secretary of State July 11, 1994.]

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

SECTION 1. Section 21662 of the Business and Professions Code is amended to read:

21662. The provisions of this article shall not apply to:

(a) An event held not more than two times per calendar year which is organized for the exclusive benefit of any community chest, fund, foundation, association, or corporation organized and operated for religious, educational, hospital, or charitable purposes, provided that no part of any admission fee or parking fee charged vendors or prospective purchasers, or the gross receipts or net earnings from the sale or exchange of personal property, whether in the form of a percentage of the receipts or earnings, as salary, or otherwise, inures to the benefit of any private shareholder or person participating in

the organization or conduct of the event.

(b) An event at which all of the personal property offered or displayed is new, and all persons selling, exchanging, or offering or displaying personal property for sale or exchange are manufacturers or licensed retail or wholesale merchants.

(c) Any vehicle or trailer.

(d) Any vehicle accessory or vehicle part usable for a motor vehicle eligible for vehicle registration under Section 5004 of the Vehicle Code, and items of memorabilia or history, or both, relating to these vehicles.

CHAPTER 175

An act to amend Sections 7158, 7159, and 7161 of the Business and Professions Code, and to add Section 667.16 to the Penal Code, relating to housing and construction, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 9, 1994. Filed with
Secretary of State July 11, 1994.]

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

SECTION 1. This act shall be known and may be cited as the Disaster Fraud Protection Act of 1994.

SEC. 2. Section 7158 of the Business and Professions Code is amended to read:

7158. (a) Any person who shall accept or receive a completion certificate or other evidence that performance of a contract for a work of improvement, including but not limited to a home improvement, is complete or satisfactorily concluded, with knowledge that the document is false and that the performance is not substantially completed, and who shall utter, offer, or use the document in connection with the making or accepting of any assignment or negotiation of the right to receive any payment from the owner, under or in connection with a contract, or for the purpose of obtaining or granting any credit or loan on the security of the right to receive any payment shall be guilty of a misdemeanor and subject to a fine of not less than five hundred dollars (\$500) nor more than five thousand dollars (\$5,000), or to imprisonment in the county jail for a term of not less than one month nor more than one year, or both.

(b) Any person who violates this section as part of a plan or scheme to defraud an owner of a residential or nonresidential structure, including a mobilehome or manufactured home, in connection with the offer or performance of repairs to the structure for damage caused by a natural disaster, shall be ordered by the court to make full restitution to the victim based on the person's ability to

pay, as defined in subdivision (e) of Section 1203.1b of the Penal Code. In addition to full restitution, and imprisonment authorized by subdivision (a), the court may impose a fine of not less than five hundred dollars (\$500) nor more than twenty-five thousand dollars (\$25,000), based upon the defendant's ability to pay. This subdivision applies to natural disasters for which a state of emergency is proclaimed by the Governor pursuant to Section 8625 of the Government Code or for which an emergency or major disaster is declared by the President of the United States.

SEC. 3. Section 7159 of the Business and Professions Code is amended to read:

7159. This section shall apply only to home improvement contracts, as defined in Section 7151.2, between a contractor, whether a general contractor or a specialty contractor, who is licensed or subject to be licensed pursuant to this chapter with regard to the transaction and who contracts with an owner or tenant for work upon a residential building or structure, or upon land adjacent thereto, for proposed repairing, remodeling, altering, converting, modernizing, or adding to the residential building or structure or land adjacent thereto, and where the aggregate contract price specified in one or more improvement contracts, including all labor, services, and materials to be furnished by the contractor, exceeds five hundred dollars (\$500).

Every home improvement contract and every contract the primary purpose of which is the construction of a swimming pool, shall be subject to the provisions of this section. Every contract and any changes in the contract subject to the provisions of this section shall be evidenced by a writing and shall be signed by all the parties to the contract thereto. The writing shall contain the following:

(a) The name, address, and license number of the contractor, and the name and registration number of any salesperson who solicited or negotiated the contract.

(b) The approximate dates when the work will begin and on which all construction is to be completed.

(c) A plan and scale drawing showing the shape, size, dimensions, and construction and equipment specifications for a swimming pool and for other home improvements, a description of the work to be done and description of the materials to be used and the equipment to be used or installed, and the agreed consideration for the work.

(d) If the payment schedule contained in the contract provides for a downpayment to be paid to the contractor by the owner or the tenant before the commencement of work, the downpayment shall not exceed two hundred dollars (\$200) or 2 percent of the contract price for swimming pools, or one thousand dollars (\$1,000) or 10 percent of the contract price for other home improvements, excluding finance charges, whichever is the lesser.

(e) A schedule of payments showing the amount of each payment as a sum in dollars and cents. In no event shall the payment schedule provide for the contractor to receive, or shall the contractor actually

receive, payments in excess of 100 percent of the value of the work performed on the project at any time, excluding finance charges, except that the contractor may receive an initial downpayment authorized by subdivision (d). With respect to a swimming pool contract, the final payment may be made at the completion of the final plastering phase of construction, provided that any installation or construction of equipment, decking, or fencing required by the contract is also completed. A failure by the contractor without lawful excuse to substantially commence work within twenty (20) days of the approximate date specified in the contract when work will begin shall postpone the next succeeding payment to the contractor for that period of time equivalent to the time between when substantial commencement was to have occurred and when it did occur. The schedule of payments shall be stated in dollars and cents, and shall be specifically referenced to the amount of work or services to be performed and to any materials and equipment to be supplied. With respect to a contract that provides for a schedule of monthly payments to be made by the owner or tenant and for a schedule of payments to be disbursed to the contractor by a person or entity to whom the contractor intends to assign the right to receive the owner's or tenant's monthly payments, the payments referred to in this subdivision mean the payments to be disbursed by the assignee and not those payments to be made by the owner or tenant.

(f) The contract shall state that upon satisfactory payment being made for any portion of the work performed, the contractor shall, prior to any further payment being made, furnish to the person contracting for the home improvement or swimming pool a full and unconditional release from any claim or mechanic's lien pursuant to Section 3114 of the Civil Code, for that portion of the work for which payment has been made.

(g) The requirements of subdivisions (d), (e), and (f) shall not apply when the contract provides for the contractor to furnish a performance and payment bond, lien and completion bond, bond equivalent, or joint control approved by the Registrar of Contractors covering full performance and completion of the contract and the bonds or joint control is or are furnished by the contractor, or when the parties agree for full payment to be made upon or for a schedule of payments to commence after satisfactory completion of the project. The contract shall contain in close proximity to the signatures of the owner and contractor a notice in at least 10-point type stating that the owner or tenant has the right to require the contractor to have a performance and payment bond.

(h) No extra or change-order work shall be required to be performed without prior written authorization of the person contracting for the construction of the home improvement or swimming pool. Any change-order forms for changes or extra work shall be incorporated in, and become a part of the contract.

(i) If the contract provides for a payment of a salesperson's commission out of the contract price, that payment shall be made on

a pro rata basis in proportion to the schedule of payments made to the contractor by the disbursing party in accordance with subdivision (e).

(j) The language of the notice required pursuant to Section 7018.5.

(k) What constitutes substantial commencement of work pursuant to the contract.

(l) A notice that failure by the contractor without lawful excuse to substantially commence work within twenty (20) days from the approximate date specified in the contract when work will begin is a violation of the Contractors' State License Law.

(m) If the contract provides for a contractor to furnish joint control, the contractor shall not have any financial or other interest in the joint control.

A failure by the contractor without lawful excuse to substantially commence work within 20 days from the approximate date specified in the contract when work will begin is a violation of this section.

This section shall not be construed to prohibit the parties to a home improvement contract from agreeing to a contract or account subject to Chapter 1 (commencing with Section 1801) of Title 2 of Part 4 of Division 3 of the Civil Code.

The writing may also contain other matters agreed to by the parties to the contract.

The writing shall be legible and shall be in a form that clearly describes any other document which is to be incorporated into the contract, and before any work is done, the owner shall be furnished a copy of the written agreement, signed by the contractor.

For purposes of this section, the board shall, by regulation, determine what constitutes "without lawful excuse."

The provisions of this section are not exclusive and do not relieve the contractor or any contract subject to it from compliance with all other applicable provisions of law.

A violation of this section by a licensee, or a person subject to be licensed, under this chapter, his or her agent, or salesperson is a misdemeanor punishable by a fine of not less than one hundred dollars (\$100) nor more than five thousand dollars (\$5,000), or by imprisonment in the county jail not exceeding one year, or by both that fine and imprisonment.

(n) Any person who violates this section as part of a plan or scheme to defraud an owner of a residential or nonresidential structure, including a mobilehome or manufactured home, in connection with the offer or performance of repairs to the structure for damage caused by a natural disaster, shall be ordered by the court to make full restitution to the victim based on the person's ability to pay, as defined in subdivision (e) of Section 1203.1b of the Penal Code. In addition to full restitution, and imprisonment authorized by this section, the court may impose a fine of not less than five hundred dollars (\$500) nor more than twenty-five thousand dollars (\$25,000), based upon the defendant's ability to pay. This subdivision applies to natural disasters for which a state of emergency is proclaimed by the

Governor pursuant to Section 8625 of the Government Code or for which an emergency or major disaster is declared by the President of the United States.

SEC. 3.5. Section 7159 of the Business and Professions Code is amended to read:

7159. This section shall apply only to home improvement contracts, as defined in Section 7151.2, between a contractor, whether a general contractor or a specialty contractor, who is licensed or subject to be licensed pursuant to this chapter with regard to the transaction and who contracts with an owner or tenant for work upon a residential building or structure, or upon land adjacent thereto, for proposed repairing, remodeling, altering, converting, modernizing, or adding to the residential building or structure or land adjacent thereto, and where the aggregate contract price specified in one or more improvement contracts, including all labor, services, and materials to be furnished by the contractor, exceeds five hundred dollars (\$500).

Every home improvement contract and every contract the primary purpose of which is the construction of a swimming pool, shall be subject to the provisions of this section. Every contract and any changes in the contract subject to the provisions of this section shall be evidenced by a writing and shall be signed by all the parties to the contract thereto. The writing shall contain the following:

(a) The name, address, and license number of the contractor, and the name and registration number of any salesperson who solicited or negotiated the contract.

(b) The approximate dates when the work will begin and on which all construction is to be completed.

(c) A plan and scale drawing showing the shape, size dimensions, and construction and equipment specifications for a swimming pool and for other home improvements, a description of the work to be done and description of the materials to be used and the equipment to be used or installed, and the agreed consideration for the work.

(d) If the payment schedule contained in the contract provides for a downpayment to be paid to the contractor by the owner or the tenant before the commencement of work, the downpayment shall not exceed two hundred dollars (\$200) or 2 percent of the contract price for swimming pools, or one thousand dollars (\$1,000) or 10 percent of the contract price for other home improvements, excluding finance charges, whichever is the lesser.

(e) A schedule of payments showing the amount of each payment as a sum in dollars and cents. In no event shall the payment schedule provide for the contractor to receive, or shall the contractor actually receive, payments in excess of 100 percent of the value of the work performed on the project at any time, excluding finance charges, except that the contractor may receive an initial downpayment authorized by subdivision (d). With respect to a swimming pool contract, the final payment may be made at the completion of the final plastering phase of construction, provided that any installation

or construction of equipment, decking, or fencing required by the contract is also completed. A failure by the contractor without lawful excuse to substantially commence work within 20 days of the approximate date specified in the contract when work will begin shall postpone the next succeeding payment to the contractor for that period of time equivalent to the time between when substantial commencement was to have occurred and when it did occur. The schedule of payments shall be stated in dollars and cents, and shall be specifically referenced to the amount of work or services to be performed and to any materials and equipment to be supplied. With respect to a contract that provides for a schedule of monthly payments to be made by the owner or tenant and for a schedule of payments to be disbursed to the contractor by a person or entity to whom the contractor intends to assign the right to receive the owner's or tenant's monthly payments, the payments referred to in this subdivision mean the payments to be disbursed by the assignee and not those payments to be made by the owner or tenant.

(f) The contract shall state that upon satisfactory payment being made for any portion of the work performed, the contractor shall, prior to any further payment being made, furnish to the person contracting for the home improvement or swimming pool a full and unconditional release from any claim or mechanic's lien pursuant to Section 3114 of the Civil Code, for that portion of the work for which payment has been made.

(g) The requirements of subdivisions (d), (e), and (f) shall not apply when the contract provides for the contractor to furnish a performance and payment bond, lien and completion bond, bond equivalent, or joint control approved by the Registrar of Contractors covering full performance and completion of the contract and the bonds or joint control is or are furnished by the contractor, or when the parties agree for full payment to be made upon or for a schedule of payments to commence after satisfactory completion of the project. The contract shall contain in close proximity to the signatures of the owner and contractor a notice in at least 10-point type stating that the owner or tenant has the right to require the contractor to have a performance and payment bond.

(h) No extra or change-order work shall be required to be performed without prior written authorization of the person contracting for the construction of the home improvement or swimming pool. Any change-order forms for changes or extra work shall be incorporated in, and become a part of the contract.

(i) If the contract provides for a payment of a salesperson's commission out of the contract price, that payment shall be made on a pro rata basis in proportion to the schedule of payments made to the contractor by the disbursing party in accordance with subdivision (e).

(j) The language of the notice required pursuant to Section 7018.5.

(k) What constitutes substantial commencement of work pursuant to the contract.

(l) A notice that failure by the contractor without lawful excuse to substantially commence work within 20 days from the approximate date specified in the contract when work will begin is a violation of the Contractors' State License Law.

(m) If the contract provides for a contractor to furnish joint control, the contractor shall not have any financial or other interest in the joint control.

A failure by the contractor without lawful excuse to substantially commence work within 20 days from the approximate date specified in the contract when work will begin is a violation of this section.

This section shall not be construed to prohibit the parties to a home improvement contract from agreeing to a contract or account subject to Chapter 1 (commencing with Section 1801) of Title 2 of Part 4 of Division 3 of the Civil Code.

The writing may also contain other matters agreed to by the parties to the contract.

The writing shall be legible and shall be in a form that clearly describes any other document which is to be incorporated into the contract, and before any work is done, the owner shall be furnished a copy of the written agreement, signed by the contractor.

For purposes of this section, the board shall, by regulation, determine what constitutes "without lawful excuse."

The provisions of this section are not exclusive and do not relieve the contractor or any contract subject to it from compliance with all other applicable provisions of law.

A violation of this section by a licensee, or a person subject to be licensed, under this chapter, his or her agent, or salesperson is a misdemeanor punishable by a fine of not less than one hundred dollars (\$100) nor more than five thousand dollars (\$5,000), or by imprisonment in the county jail not exceeding one year, or by both that fine and imprisonment.

(n) Any person who violates this section as part of a plan or scheme to defraud an owner of a residential or nonresidential structure, including a mobilehome or manufactured home, in connection with the offer or performance of repairs to the structure for damage caused by a natural disaster, shall be ordered by the court to make full restitution to the victim based on the person's ability to pay, as defined in subdivision (e) of Section 1203.1b of the Penal Code. In addition to full restitution, and imprisonment authorized by this section, the court may impose a fine of not less than five hundred dollars (\$500) nor more than twenty-five thousand dollars (\$25,000), based upon the defendant's ability to pay. This subdivision applies to natural disasters for which a state of emergency is proclaimed by the Governor pursuant to Section 8625 of the Government Code or for which an emergency or major disaster is declared by the President of the United States.

(o) Notwithstanding any other provision of law to the contrary, an indictment or information shall be brought, or a complaint filed, for a violation of this section, within three years from the effective date

of the contract.

SEC. 4. Section 7161 of the Business and Professions Code is amended to read:

7161. It is a misdemeanor for any person to engage in any of the following acts, the commission of which shall be cause for disciplinary action against any licensee or applicant:

(a) Using false, misleading, or deceptive advertising as an inducement to enter into any contract for a work of improvement, including, but not limited to, any home improvement contract, whereby any member of the public may be misled or injured.

(b) Making any substantial misrepresentation in the procurement of a contract for a home improvement or other work of improvement or making any false promise of character likely to influence, persuade or, induce any person to enter into such a contract.

(c) Any fraud in the execution of, or in the material alteration of any contract, trust deed, mortgage, promissory note, or other document incident to a home improvement transaction or other transaction involving a work of improvement.

(d) Preparing or accepting any trust deed, mortgage, promissory note, or other evidence of indebtedness upon the obligations of a home improvement transaction or other transaction for a work of improvement with knowledge that it specifies a greater monetary obligation than the consideration for the improvement work, which consideration may be a time sale price.

(e) Directly or indirectly publishing any advertisement relating to home improvements or other works of improvement which contains an assertion, representation or statement of fact which is false, deceptive, or misleading, or by any means advertising or purporting to offer to the general public any such improvement work with the intent not to accept contracts for the particular work or at the price which is advertised or offered to the public, except that any advertisement which is subject to and complies with the existing rules, regulations or guides of the Federal Trade Commission shall not be deemed false, deceptive or misleading.

(f) Any person who violates subdivision (b), (c), (d), or (e) as part of a plan or scheme to defraud an owner of a residential or nonresidential structure, including a mobilehome or manufactured home, in connection with the offer or performance of repairs to the structure for damage caused by a natural disaster, shall be ordered by the court to make full restitution to the victim based on the person's ability to pay, as defined in subdivision (e) of Section 1203.1b of the Penal Code. In addition to full restitution, and imprisonment as authorized by this section, the court may impose a fine of not less than five hundred dollars (\$500) nor more than twenty-five thousand dollars (\$25,000), based upon the defendant's ability to pay. This subdivision applies to natural disasters for which a state of emergency is proclaimed by the Governor pursuant to Section 8625 of the Government Code or for which an emergency or major disaster is declared by the President of the United States.

SEC. 5. Section 667.16 is added to the Penal Code, to read:

667.16. (a) Any person convicted of a felony violation of Section 470, 487, or 532 as part of a plan or scheme to defraud an owner of a residential or nonresidential structure, including a mobilehome or manufactured home, in connection with the offer or performance of repairs to the structure for damage caused by a natural disaster, shall receive a one-year enhancement in addition and consecutive to the penalty prescribed. The additional term shall not be imposed unless the allegation is charged in the accusatory pleading and admitted by the defendant or found to be true by the trier of fact.

(b) This enhancement applies to natural disasters for which a state of emergency is proclaimed by the Governor pursuant to Section 8625 of the Government Code or for which an emergency or major disaster is declared by the President of the United States.

(c) Notwithstanding any other law, the court may strike the additional term provided in subdivision (a) if the court determines that there are mitigating circumstances and states on the record the reasons for striking the additional punishment.

SEC. 6. Section 3.5 of this bill incorporates amendments to Section 7159 of the Business and Professions Code proposed by both this bill and AB 2719. It shall only become operative if (1) both bills are enacted and become effective on or before January 1, 1995, but this bill becomes operative first, (2) each bill amends Section 7159 of the Business and Professions Code, and (3) this bill is enacted after AB 2719, in which case Section 7159 of the Business and Professions Code, as amended by Section 3 of this bill shall remain operative only until the operative date of AB 2719, at which time Section 3.5 of this bill shall become operative.

SEC. 7. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to deter persons from engaging in acts of fraud in connection with an offer or performance of repairs to a residential or nonresidential structure, including a mobilehome or manufactured home, that suffered damage as a result of the January 17, 1994, Northridge earthquake and related aftershocks, it is necessary that this act take effect immediately.

CHAPTER 176

An act making an appropriation for the payment of claims against the State of California, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 9, 1994. Filed with Secretary of State July 11, 1994.]

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

SECTION 1. (a) The sum of one million six hundred ninety-two thousand five hundred thirty-seven dollars and fifty cents (\$1,692,537.50) is hereby appropriated to the Secretary of the State Board of Control for the payment of claims accepted by the State Board of Control in accordance with the schedule set forth in subdivision (b). Those payments shall be made from the funds and accounts identified in that schedule. In the case of budget act item schedules identified in the schedule set forth in subdivision (b), those payments shall be made from the funds appropriated in the item schedule.

(b) Pursuant to subdivision (a), claims accepted by the State Board of Control shall be paid in accordance with the following schedule:

Total for Fund: Bank and Corporation Tax Fund	\$2,171.64
Total for Fund: California Water Resources	
Development Bond Fund	\$22,230.79
Total for Fund: Central Valley Water Project	
Construction Fund	\$6,094.01
Total for Fund: Employment Development Department Contingent Fund	\$47,169.25
Total for Fund: Employment Development Department Unemployment Fund	\$166.00
Total for Fund: Federal Trust Fund	\$221.75
Total for Fund: General Fund	\$281,630.23
Total for Fund: Inheritance Tax Fund	\$90.14
Total for Fund: Item 0250-001-001 (B), Budget Act 1992	\$226,839.94
Total for Fund: Item 0250-001-001 (B), Budget Act 1994	\$5,894.01
Total for Fund: Item 0250-001-001 (C), Budget Act 1994	\$368.77
Total for Fund: Item 0690-001-001 (B), Budget Act 1994	\$100.00
Total for Fund: Item 0690-001-001 (C), Budget Act 1994	\$44.43
Total for Fund: Item 0820-001-001 (D), Budget Act 1994	\$2,443.21
Total for Fund: Item 0820-001-001 (G), Budget	

Act 1994	\$6,700.54
Total for Fund: Item 0840-001-001 (A), Budget	
Act 1994	\$353.00
Total for Fund: Item 0860-001-001 (A), Budget	
Act 1994	\$15,235.79
Total for Fund: Item 0860-001-001 (B), Budget	
Act 1994	\$369.05
Total for Fund: Item 0890-001-001 (B), Budget	
Act 1994	\$53.94
Total for Fund: Item 0950-001-001 (A), Budget	
Act 1994	\$1,726.50
Total for Fund: Item 1100-001-001 (A), Budget	
Act 1994	\$209.20
Total for Fund: Item 1390-001-758 (A), Budget	
Act 1994	\$370.00
Total for Fund: Item 1655-001-702 (A), Budget	
Act 1994	\$88.36
Total for Fund: Item 1655-001-702 (B), Budget	
Act 1994	\$3,295.58
Total for Fund: Item 1710-001-001 (A), Budget	
Act 1994	\$538.97
Total for Fund: Item 1730-001-001 (A), Budget	
Act 1994	\$2,118.00
Total for Fund: Item 1760-001-666 (A), Budget	
Act 1994	\$1,144.79
Total for Fund: Item 1760-001-666 (B), Budget	
Act 1994	\$18,318.19
Total for Fund: Item 1800-001-001 (C), Budget	
Act 1994	\$399.00
Total for Fund: Item 1900-001-830 (D), Budget	
Act 1994	\$259.25
Total for Fund: Item 1900-001-950, Budget Act	
1994	\$390.17
Total for Fund: Item 1920-001-835 (BX), Budget	
Act 1994	\$431.67
Total for Fund: Item 1960-001-001 (D), Budget	
Act 1994	\$1,531.53
Total for Fund: Item 2140-001-001 (B), Budget	
Act 1994	\$2,726.00
Total for Fund: Item 2240-001-001 (A), Budget	
Act 1994	\$1,228.50
Total for Fund: Item 2290-001-217 (A), Budget	
Act 1994	\$825.22
Total for Fund: Item 2320-001-317 (A), Budget	
Act 1994	\$165.00
Total for Fund: Item 2320-001-317 (B), Budget	
Act 1994	\$60.00
Total for Fund: Item 2660-001-042 (B), Budget	
Act 1994	\$49,999.01

Total for Fund: Item 2720-001-044(A), Budget Act 1994	\$9,352.73
Total for Fund: Item 2740-001-044(A), Budget Act 1994	\$36,691.45
Total for Fund: Item 2740-001-044(A), Chapter 587, Statutes 1992	\$1,017.86
Total for Fund: Item 2740-001-044(B), Budget Act 1994	\$3,792.35
Total for Fund: Item 3480-001-001(F), Budget Act 1994	\$10,303.83
Total for Fund: Item 3540-001-001(A), Budget Act 1994	\$902.07
Total for Fund: Item 3600-001-200(A), Budget Act 1994	\$1,192.16
Total for Fund: Item 3600-001-200(B), Budget Act 1994	\$9,004.02
Total for Fund: Item 3600-001-200(C), Budget Act 1994	\$31,965.22
Total for Fund: Item 3660-001-200(D), Budget Act 1994	\$400.00
Total for Fund: Item 3780-001-001(B), Budget Act 1994	\$124.43
Total for Fund: Item 3790-001-001(A), Budget Act 1994	\$1,888.72
Total for Fund: Item 3790-001-001(B), Budget Act 1994	\$5,785.19
Total for Fund: Item 3860-001-001(A), Budget Act 1994	\$4,075.24
Total for Fund: Item 3860-001-001(C), Budget Act 1994	\$11,088.93
Total for Fund: Item 3860-001-001(D), Budget Act 1994	\$66.99
Total for Fund: Item 3930-001-001(A), Budget Act 1994	\$246.00
Total for Fund: Item 3960-001-014(A), Budget Act 1994	\$5,716.38
Total for Fund: Item 3960-001-014(B), Budget Act 1994	\$285.00
Total for Fund: Item 4140-001-001(D), Budget Act 1994	\$1,440.47
Total for Fund: Item 4200-001-001(B), Budget Act 1994	\$137.50
Total for Fund: Item 4260-001-001(1), Budget Act 1994	\$3,019.40
Total for Fund: Item 4260-001-001(2), Budget Act 1994	\$11,287.88
Total for Fund: Item 4280-001-313(A), Budget Act 1994	\$50.00
Total for Fund: Item 4300-001-001(A), Budget	

Act 1994	\$2,475.00
Total for Fund: Item 4300-003-001 (A), Budget	
Act 1994	\$39,914.64
Total for Fund: Item 4300-101-001 (A), Budget	
Act 1994	\$4,974.41
Total for Fund: Item 4300-101-001 (B), Budget	
Act 1994	\$7,988.23
Total for Fund: Item 4440-001-001 (B), Budget	
Act 1994	\$618.35
Total for Fund: Item 4440-011-001 (A), Budget	
Act 1994	\$18,972.48
Total for Fund: Item 5100-001-870 (A), Budget	
Act 1994	\$30,028.57
Total for Fund: Item 5100-001-870 (B), Budget	
Act 1994	\$8,221.72
Total for Fund: Item 5160-001-001 (A), Budget	
Act 1994	\$36,072.95
Total for Fund: Item 5160-001-001 (C), Budget	
Act 1994	\$1,644.00
Total for Fund: Item 5180-001-001 (A), Budget	
Act 1994	\$5,109.95
Total for Fund: Item 5180-001-001 (C), Budget	
Act 1994	\$250.00
Total for Fund: Item 5180-001-001 (D), Budget	
Act 1994	\$266.00
Total for Fund: Item 5180-001-001 (F), Budget	
Act 1994	\$570.55
Total for Fund: Item 5240-001-001 (A), Budget	
Act 1994	\$312,256.20
Total for Fund: Item 5240-001-001 (A), Chapter	
587, Statutes 1992	\$102.14
Total for Fund: Item 5240-001-001 (B), Budget	
Act 1994	\$14,880.33
Total for Fund: Item 5440-001-001, Budget Act	
1994	\$1,271.51
Total for Fund: Item 5460-001-001 (A), Budget	
Act 1994	\$11,399.05
Total for Fund: Item 5460-001-001 (B), Budget	
Act 1994	\$42,062.56
Total for Fund: Item 6110-001-001 (A), Budget	
Act 1994	\$688.00
Total for Fund: Item 6110-001-001 (B), Budget	
Act 1994	\$962.43
Total for Fund: Item 6110-005-001 (A) (3), Budget	
Act 1994	\$137.00
Total for Fund: Item 6110-006-001 (A) (5), Budget	
Act 1994	\$1,644.00
Total for Fund: Item 6120-011-001 (A), Budget	
Act 1994	\$1,541.20

Total for Fund: Item 6610-001-001 (A), Budget Act 1994	\$20,778.27
Total for Fund: Item 6860-001-001 (A), Budget Act 1994	\$4,268.04
Total for Fund: Item 6870-001-001 (B), Budget Act 1994	\$12,620.16
Total for Fund: Item 6870-101-001 (D), Budget Act 1994	\$4,000.00
Total for Fund: Item 8140-001-001 (A), Budget Act 1994	\$1,978.71
Total for Fund: Item 8350-001-001 (3), Budget Act 1994	\$24,044.72
Total for Fund: Item 8350-001-001 (6), Budget Act 1994	\$344.24
Total for Fund: Item 8350-001-001 (7), Budget Act 1994	\$1,096.00
Total for Fund: Item 8510-001-264 (A), Budget Act 1994	\$21,092.75
Total for Fund: Item 8570-001-001 (A), Budget Act 1994	\$75.00
Total for Fund: Item 8660-001-412 (A), Budget Act 1994	\$775.96
Total for Fund: Item 8660-001-412 (B), Budget Act 1994	\$139.85
Total for Fund: Item 8910-001-001 (A), Budget Act 1994	\$129.50
Total for Fund: Item 8940-001-001 (A), Budget Act 1994	\$1,317.00
Total for Fund: Item 8940-001-890, Chapter 587, Statutes 1992	\$28,255.40
Total for Fund: Motor Vehicle Account	\$391.00
Total for Fund: Motor Vehicle License Fee Account	\$365.00
Total for Fund: Personal Income Tax Fund	\$2,319.60
Total for Fund: Personal Income Tax Fund	\$24,027.29
Total for Fund: Professions and Vocations Fund ..	\$18.30
Total for Fund: Public Employees' Retirement Fund	\$11,521.85
Total for Fund: Restitutions Fund	\$5,976.00
Total for Fund: Retail Sales Tax Fund	\$18,827.11
Total for Fund: Senate Contingent Fund	\$606.00
Total for Fund: Special Deposit Fund	\$253.65
Total for Fund: State Lottery Fund	\$850.00
Total for Fund: State Teachers' Retirement Fund	\$3,382.83
Total for Fund: Tax Relief and Refund Account ..	\$89,867.49
Total for Fund: Transportation Fund, Motor Vehicle Account	\$621.74
Total for Fund: Transportation Fund, State High-	

way Account	\$5,275.60
Total for Fund: Unclaimed Property Fund	\$5,182.26
Total for Fund: Unemployment Administration Fund	\$744.03
Total for Fund: Unemployment Compensation Disability Fund	\$2,874.14
Total for Fund: Unemployment Fund	\$577.00
Total for Fund: Welfare Advance Fund (696)	\$54.49

SEC. 2. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to pay claims against the state and end hardship to claimants as quickly as possible, it is necessary for this act to take effect immediately.

CHAPTER 177

An act to amend Section 10110.1 of the Insurance Code, relating to insurance.

[Approved by Governor July 9, 1994. Filed with
Secretary of State July 11, 1994.]

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

SECTION 1. Section 10110.1 of the Insurance Code is amended to read:

10110.1. (a) An insurable interest, with reference to life and disability insurance, is an interest based upon a reasonable expectation of pecuniary advantage through the continued life, health, or bodily safety of another person and consequent loss by reason of that person's death or disability or a substantial interest engendered by love and affection in the case of individuals closely related by blood or law.

(b) An individual has an unlimited insurable interest in his or her own life, health, and bodily safety and may lawfully take out a policy of insurance on his or her own life, health, or bodily safety and have the policy made payable to whomsoever he or she pleases, regardless of whether the beneficiary designated has an insurable interest.

(c) An employer has an insurable interest, as referred to in subdivision (a), in the life or physical or mental ability of any of its directors, officers, or employees or the directors, officers, or employees of any of its subsidiaries or any other person whose death or physical or mental disability might cause financial loss to the employer; or, pursuant to any contractual arrangement with any

shareholder concerning the reacquisition of shares owned by the shareholder at the time of his or her death or disability, on the life or physical or mental ability of that shareholder for the purpose of carrying out the contractual arrangement; or, pursuant to any contract obligating the employer as part of compensation arrangements or pursuant to a contract obligating the employer as guarantor or surety, on the life of the principal obligor. The trustee of an employer or trustee of a pension, welfare benefit plan, or trust established by an employer providing life, health, disability, retirement, or similar benefits to employees and retired employees of the employer or its affiliates and acting in a fiduciary capacity with respect to those employees, retired employees, or their dependents or beneficiaries has an insurable interest in the lives of employees and retired employees for whom those benefits are to be provided. The employer shall obtain the written consent of the individual being insured.

(d) An insurable interest shall be required to exist at the time the contract of life or disability insurance becomes effective, but need not exist at the time the loss occurs.

(e) Any contract of life or disability insurance procured or caused to be procured upon another individual is void unless the person applying for the insurance has an insurable interest in the individual insured at the time of the application.

(f) Notwithstanding subdivisions (a), (d), and (e), a charitable organization that meets the requirements of Section 214 or 23701d of the Revenue and Taxation Code may effectuate life or disability insurance on an insured who consents to the issuance of that insurance.

(g) This section shall not be interpreted to define all instances in which an insurable interest exists.

CHAPTER 178

An act to amend Section 19825 of the Health and Safety Code, and to amend Section 3800 of the Labor Code, relating to workers' compensation.

[Approved by Governor July 9, 1994. Filed with
Secretary of State July 11, 1994.]

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

SECTION 1. Section 19825 of the Health and Safety Code is amended to read:

19825. (a) Every city or county, which requires the issuance of a permit as a condition precedent to the construction, alteration, improvement, demolition, or repair of any building or structure, shall, in addition to any other requirements, print the following

declarations in substantially the following form upon the front side, left column of any building permit issued:

BUILDING PROJECT IDENTIFICATION

Applicant's Mailing Address _____

Address of Building _____

Owner's Name if known _____

Telephone No. _____

Contractor's Name _____

Contractor's Mailing Address _____

Lic. No. _____

Architect or Engineer _____

Architect's or Engineer's _____

Address _____

Lic. No. _____

In addition the city or county may require that there be included in the building project identification portion of a building permit, the following:

Assessor's Parcel Number* _____

Permit date _____

Permit number _____

Description of work _____

Building permit valuation _____

*To be entered by issuing agency.

LICENSED CONTRACTORS DECLARATION

I hereby affirm under penalty of perjury that I am licensed under provisions of Chapter 9 (commencing with Section 7000) of Division 3 of the Business and Professions Code, and my license is in full force and effect.

License Class _____ Lic. No. _____

Date _____ Contractor _____

OWNER-BUILDER DECLARATION

I hereby affirm under penalty of perjury that I am exempt from the Contractors License Law for the following reason (Sec. 7031.5, Business and Professions Code: Any city or county which requires a

permit to construct, alter, improve, demolish, or repair any structure, prior to its issuance, also requires the applicant for such permit to file a signed statement that he or she is licensed pursuant to the provisions of the Contractors License Law (Chapter 9 (commencing with Section 7000) of Division 3 of the Business and Professions Code) or that he or she is exempt therefrom and the basis for the alleged exemption. Any violation of Section 7031.5 by any applicant for a permit subjects the applicant to a civil penalty of not more than five hundred dollars (\$500).):

I, as owner of the property, or my employees with wages as their sole compensation, will do the work, and the structure is not intended or offered for sale (Sec. 7044, Business and Professions Code: The Contractors License Law does not apply to an owner of property who builds or improves thereon, and who does such work himself or herself or through his or her own employees, provided that such improvements are not intended or offered for sale. If, however, the building or improvement is sold within one year of completion, the owner-builder will have the burden of proving that he or she did not build or improve for the purpose of sale.).

I, as owner of the property, am exclusively contracting with licensed contractors to construct the project (Sec. 7044, Business and Professions Code: The Contractors License Law does not apply to an owner of property who builds or improves thereon, and who contracts for such projects with a contractor(s) licensed pursuant to the Contractors License Law.).

I am exempt under Sec. _____, B.&P.C. for this reason

Date _____ Owner _____

WORKERS' COMPENSATION DECLARATION

I hereby affirm under penalty of perjury one of the following declarations:

____ I have and will maintain a certificate of consent to self-insure for workers' compensation, as provided for by Section 3700 of the Labor Code, for the performance of the work for which this permit is issued.

____ I have and will maintain workers' compensation insurance, as required by Section 3700 of the Labor Code, for the performance of the work for which this permit is issued. My workers' compensation insurance carrier and policy number are:

Carrier _____

Policy Number _____

(This section need not be completed if the permit is for one hundred dollars (\$100) or less).

____ I certify that in the performance of the work for which this permit is issued, I shall not employ any person in any manner so as to become subject to the workers' compensation laws of California, and agree that if I should become subject to the workers' compensation provisions of Section 3700 of the Labor Code, I shall forthwith comply with those provisions.

Date: _____ Applicant: _____

WARNING: FAILURE TO SECURE WORKERS' COMPENSATION COVERAGE IS UNLAWFUL, AND SHALL SUBJECT AN EMPLOYER TO CRIMINAL PENALTIES AND CIVIL FINES UP TO ONE HUNDRED THOUSAND DOLLARS (\$100,000), IN ADDITION TO THE COST OF COMPENSATION, DAMAGES AS PROVIDED FOR IN SECTION 3706 OF THE LABOR CODE, INTEREST, AND ATTORNEY'S FEES.

CONSTRUCTION LENDING AGENCY

I hereby affirm under penalty of perjury that there is a construction lending agency for the performance of the work for which this permit is issued (Sec. 3097, Civ. C.).

Lender's Name _____

Lender's Address _____

I certify that I have read this application and state that the above information is correct. I agree to comply with all city and county ordinances and state laws relating to building construction, and hereby authorize representatives of this county to enter upon the above-mentioned property for inspection purposes.

Signature of Applicant or Agent

Date

(b) The Contractors' State License Board shall semiannually compile and distribute to city, county, and city and county building departments a list of all contractors who did not secure payment of compensation in compliance with Article 1 (commencing with Section 3700) of Chapter 4 of Part 1 of Division 4 of the Labor Code during any period for which workers were employed during the preceding six months.

SEC. 2. Section 3800 of the Labor Code is amended to read:

3800. (a) Every county or city which requires the issuance of a permit as a condition precedent to the construction, alteration, improvement, demolition, or repair of any building or structure shall require that each applicant for the permit sign a declaration under penalty of perjury verifying workers' compensation coverage or exemption from coverage, as required by Section 19825 of the Health

and Safety Code.

(b) At the time of permit issuance, contractors shall show their valid workers' compensation insurance certificate.

SEC. 3. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs which may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, changes the definition of a crime or infraction, changes the penalty for a crime or infraction, or eliminates a crime or infraction. Notwithstanding Section 17580 of the Government Code, unless otherwise specified in this act, the provisions of this act shall become operative on the same date that the act takes effect pursuant to the California Constitution.

CHAPTER 179

An act to amend Section 668 of the Penal Code, relating to crime, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 9, 1994. Filed with
Secretary of State July 11, 1994.]

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

SECTION 1. Section 668 of the Penal Code is amended to read:
668. Every person who has been convicted in any other state, government, country, or jurisdiction of an offense for which, if committed within this state, that person could have been punished under the laws of this state by imprisonment in a state prison, is punishable for any subsequent crime committed within this state in the manner prescribed by law and to the same extent as if that prior conviction had taken place in a court of this state. The application of this section includes, but is not limited to, all statutes which provide for enhancements for prior convictions and prior prison terms.

SEC. 2. It is the intent of the Legislature in enacting Section 1 of this act to abrogate the holding in Part II of *People v. Burgio*, 16 Cal. App. 4th 769, 777-779, because it is an incorrect statement of existing law, and because it ignored the controlling effect of Section 668 of the Penal Code with respect to the use of a prior conviction from another jurisdiction for purposes of enhancement. This act is intended to be declaratory of existing law, and to clarify and reemphasize the proper application of Section 668.

SEC. 3. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to abrogate an incorrect appellate court holding regarding a penal statute, and to protect the public safety by

ensuring proper punishment for recidivist criminals, it is necessary that this act take effect immediately.

CHAPTER 180

An act to amend Section 1812.601 of the Civil Code, to amend Section 710 of the Harbors and Navigation Code, and to amend Sections 1819, 4456, 5602, 5901, 6100, 6102, and 9561 of the Vehicle Code, relating to vehicles, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 9, 1994. Filed with
Secretary of State July 11, 1994.]

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

SECTION 1. The Legislature finds and declares all of the following:

(a) Current law requires notice to the Department of Motor Vehicles of the transfer of a motor vehicle through a dealer conducting a wholesale motor vehicle auction by use of a notice of transfer form approved by the department.

(b) Current law also requires any dealer who sells or transfers a motor vehicle through a dealer conducting a wholesale motor vehicle auction to file with the department a report-of-sale form evidencing transfer to the dealer conducting the motor vehicle auction and further requires the dealer conducting the auction to file a separate report-of-sale form respecting the sale or transfer of the vehicle through the auction.

(c) Buyers of motor vehicles are currently able to determine significant facts and trends concerning a vehicle's history from documents filed with the department, including the report-of-sale and notice of transfer forms prepared and filed by each dealer selling or transferring a vehicle.

(d) Buyers of vehicles sold through a wholesale motor vehicle auction rely on the fact that the dealer who conducts the auction sale becomes an owner of vehicles transferred to the auction for sale and the seller of vehicles purchased through the auction.

(e) It is the intent of the Legislature in enacting this act to, among other things, streamline and make more efficient the process by which report-of-sale and notice of transfer forms are made to the department in wholesale motor vehicle auction transactions by consolidating the information contained in those forms into a single form to be approved by the department and to require that single form to be completed and filed by the dealer conducting the wholesale vehicle auction. However, notwithstanding the provisions of this act or any agreement or other attempt to recharacterize an auction transaction, it is the intent of the Legislature that, for all

purposes of law and equity, any dealer who purchases a vehicle through a wholesale auction has the same rights and remedies against the dealer conducting the auction sale as if that dealer were the owner and seller of the auctioned vehicle.

SEC. 2. Section 1812.601 of the Civil Code is amended to read:
1812.601. (a) "Advertisement" means any of the following:

(1) Any written or printed communication for the purpose of soliciting, describing, or offering to act as an auctioneer or provide auction company services, including any brochure, pamphlet, newspaper, periodical, or publication.

(2) A telephone or other directory listing caused or permitted by an auctioneer or auction company to be published that indicates the offer to practice auctioneering or auction company services.

(3) A radio, television, or similar airwave transmission that solicits or offers the practice of auctioneering or auction company services.

(b) "Auction" means a sale transaction conducted by means of oral or written exchanges between an auctioneer and the members of his or her audience, which exchanges consist of a series of invitations for offers for the purchase of goods made by the auctioneer and offers to purchase made by members of the audience and culminate in the acceptance by the auctioneer of the highest or most favorable offer made by a member of the participating audience. However, auction does not include either of the following:

(1) A wholesale motor vehicle auction subject to regulation by the Department of Motor Vehicles.

(2) A sale of real estate or a sale in any sequence of real estate with personal property or fixtures or both in a unified sale pursuant to subparagraph (ii) of paragraph (a) of subdivision (4) of Section 9501 of the Commercial Code.

(c) "Auction company" means any person who arranges, manages, sponsors, advertises, accounts for the proceeds of, or carries out auction sales at locations, including, but not limited to, any fixed location, including an auction barn, gallery place of business, sale barn, sale yard, sale pavilion, and the contiguous surroundings of each.

(d) "Auctioneer" means any individual who is engaged in, or who by advertising or otherwise holds himself or herself out as being available to engage in, the calling for, the recognition of, and the acceptance of, offers for the purchase of goods at an auction.

(e) "Employee" means an individual who works for an employer, is listed on the employer's payroll records, and is under the employer's control.

(f) "Employer" means a person who employs an individual for wages or salary, lists the individual on the person's payroll records, and withholds legally required deductions and contributions.

(g) "Goods" means any goods, wares, chattels, merchandise, or other personal property, including domestic animals and farm products.

(h) "Person" means an individual, corporation, partnership, trust,

including a business trust, firm, association, organization, or any other form of business enterprise.

SEC. 3. Section 710 of the Harbors and Navigation Code is amended to read:

710. The definitions of "broker" and "salesperson," as set forth in Section 701, do not include the following:

(a) A person who directly performs any act subject to this article with reference to a yacht owned by that person or, in the case of a corporation which, through its regular officers receiving no special compensation therefor, performs any act subject to this article with reference to the corporation's yacht.

(b) Services rendered by an attorney at law in performing duties as an attorney at law.

(c) Any receiver, trustee in bankruptcy, or other person acting under the order of any court.

(d) Any transaction involving the sale of property subject to foreclosure of a security interest in a yacht which is conducted only by the holder of the security interest or by a person licensed pursuant to Chapter 11 (commencing with Section 7500) of Division 3 of the Business and Professions Code when liquidating repossessed collateral pursuant to the written request of the holder of the security interest.

(e) Any transaction involving the sale of a yacht in excess of 300 gross tons or tenders thereof sold at the same time.

(f) Any transaction involving the sale of a new yacht or ship.

(g) Any transaction in the regular course of business by a wholesale motor vehicle auction subject to regulation by the Department of Motor Vehicles.

SEC. 4. Section 1819 of the Vehicle Code is amended to read:

1819. All records of the department containing information as to the actual mileage of motor vehicles submitted as required by subdivision (b) of Section 4456 and Sections 5900 and 5901 shall be open to inspection by the public during the office hours of the department.

SEC. 5. Section 4456 of the Vehicle Code is amended to read:

4456. (a) When selling a vehicle, dealers and lessor-retailers shall use numbered report-of-sale forms issued by the department. The forms shall be used in accordance with the following terms and conditions:

(1) The dealer or lessor-retailer shall attach for display a copy of the report of sale on the vehicle before the vehicle is delivered to the purchaser.

(2) The dealer or lessor-retailer shall submit to the department an application accompanied by all fees and penalties due for registration or transfer of registration of the vehicle within 20 days from the date of sale. Penalties due for noncompliance with this paragraph shall be paid by the dealer or lessor-retailer. The dealer or lessor-retailer shall not charge the purchaser for the penalties.

(3) As part of an application to transfer registration of a used

vehicle, the dealer or lessor-retailer shall include all of the following information on the certificate of title, application for a duplicate certificate of title, or form prescribed by the department:

- (A) Date of sale and report of sale number.
- (B) Purchaser's name and address.
- (C) Dealer's name, address, number, and signature or signature of authorized agent.

(D) Salesperson number.

(4) If the department returns an application and the application was first received by the department within 20 days of the date of sale of the vehicle, the dealer or lessor-retailer shall submit a corrected application to the department within 40 days from the date of sale of the vehicle or within 20 days from the date that the application is first returned by the department, whichever is later.

(5) If the department returns an application and the application was first received by the department more than 20 days from the date of sale of the vehicle, the dealer or lessor-retailer shall submit a corrected application to the department within 40 days from the date of sale of the vehicle.

(6) An application first received by the department more than 40 days from the date of sale of the vehicle is subject to the penalties specified in subdivisions (a) and (b) of Section 4456.1.

(7) The dealer or lessor-retailer shall report the sale pursuant to Section 5901.

(b) (1) A transfer that takes place through a dealer conducting a wholesale motor vehicle auction shall be reported to the department by that dealer on a single form approved by the department. The completed form shall contain, at a minimum, all of the following information:

- (A) The name and address of the seller.
- (B) The seller's dealer number, if applicable.
- (C) The date of delivery to the dealer conducting the auction.
- (D) The actual mileage of the vehicle as indicated by the vehicle's odometer at the time of delivery to the dealer conducting the auction.

(E) The name, address, and occupational license number of the dealer conducting the auction.

(F) The name, address, and occupational license number of the buyer.

(G) The signature of the dealer conducting the auction.

(2) Submission of the completed form specified in paragraph (1) to the department shall fully satisfy the requirements of subdivision (a) and subdivision (a) of Section 5901 with respect to the dealer selling at auction and the dealer conducting the auction.

(3) The single form required by this subdivision does not relieve a dealer of any obligation or responsibility that is required by any other provision of law.

(c) A vehicle displaying a copy of the report of sale may be operated without license plates or registration card until the license

plates and registration card are received by the purchaser.

SEC. 6. Section 5602 of the Vehicle Code is amended to read:

5602. An owner who has made a bona fide sale or transfer of a vehicle and has delivered possession of the vehicle to a purchaser is not, by reason of any of the provisions of this code, the owner of the vehicle so as to be subject to civil liability or criminal liability for the parking, abandoning, or operation of the vehicle thereafter by another when the selling or transferring owner, in addition to that delivery and that bona fide sale or transfer, has fulfilled either of the following requirements:

(a) He or she has made proper endorsement and delivery of the certificate of ownership as provided in this code.

(b) He or she has delivered to the department or has placed in the United States mail, addressed to the department, either of the following documents:

(1) The notice as provided in subdivision (b) of Section 4456 or Section 5900 or 5901.

(2) The appropriate documents and fees for registration of the vehicle to the new owner pursuant to the sale or transfer.

SEC. 7. Section 5901 of the Vehicle Code is amended to read:

5901. (a) Every dealer or lessor-retailer, upon transferring by sale, lease, or otherwise any vehicle, whether new or used, of a type subject to registration under this code, shall, not later than the end of the fifth calendar day thereafter not counting the day of sale, give written notice of the transfer to the department at its headquarters upon an appropriate form provided by it.

(b) Except as otherwise provided in this subdivision or in subdivision (c), the dealer or lessor-retailer shall enter on the form and pursuant to the federal Motor Vehicle Information and Cost Savings Act (15 U.S.C. Sec. 1901 et seq.), on the ownership certificate, the actual mileage of the vehicle as indicated by the vehicle's odometer at the time of the transfer. However, if the vehicle dealer or lessor-retailer has knowledge that the mileage displayed on the odometer is incorrect, the licensee shall indicate on the form the true mileage, if known, of the vehicle at the time of the transfer. A vehicle dealer or lessor-retailer need not give the notice when selling or transferring a new unregistered vehicle to a dealer or lessor-retailer.

(c) When the dealer or lessor-retailer is not in possession of the vehicle that is sold or transferred, the person in physical possession of the vehicle shall give the information required by subdivision (b).

(d) A sale is deemed completed and consummated when the purchaser of the vehicle has paid the purchase price, or, in lieu thereof, has signed a purchase contract or security agreement, and has taken physical possession or delivery of the vehicle.

SEC. 8. Section 6100 of the Vehicle Code is amended to read:

6100. A dealer who conducts a wholesale motor vehicle auction and who uses the form prescribed in subdivision (b) of Section 4456 shall include the phrase "SOLD THROUGH [name of dealer conducting the auction]" and the date of the auction on the

certificate of title of every vehicle sold, in a manner prescribed by the department.

SEC. 9. Section 6102 of the Vehicle Code is amended to read:

6102. For each vehicle sold pursuant to this article, the dealer who conducts the auction shall maintain a copy of the following documents for a period of not less than five years:

(a) The form required by subdivision (b) of Section 4456.

(b) A copy of the auction sales agreement.

(c) A copy of the odometer statement required by Section 5900.

SEC. 10. Section 9561 of the Vehicle Code is amended to read:

9561. (a) When a legal owner or his or her agent repossesses a vehicle on which renewal fees are due, the department shall waive any renewal penalties that are due for late payment if the fees are paid within 60 days of taking possession.

(b) Notwithstanding any other provisions of this code, when a repossessed vehicle is sold through a dealer conducting a wholesale motor vehicle auction as provided in subdivision (b) of Section 4456 and Article 5 (commencing with Section 6100) of Chapter 2 of Division 3, any penalties that may be due are waived, if all renewal fees that are due are paid not later than 60 days after the date of sale at the auction.

SEC. 11. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to streamline and make more efficient the process by which certain sales of vehicles are made, it is necessary that this act take effect immediately.

CHAPTER 181

An act to amend Section 726 of the Welfare and Institutions Code, relating to juveniles.

[Approved by Governor July 9, 1994. Filed with
Secretary of State July 11, 1994.]

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

SECTION 1. Section 726 of the Welfare and Institutions Code is amended to read:

726. In all cases wherein a minor is adjudged a ward or dependent child of the court, the court may limit the control to be exercised over the ward or dependent child by any parent or guardian and shall by its order clearly and specifically set forth all those limitations, but no ward or dependent child shall be taken from the physical custody of a parent or guardian unless upon the hearing the court finds one of the following facts:

(a) That the parent or guardian is incapable of providing or has failed or neglected to provide proper maintenance, training, and education for the minor.

(b) That the minor has been tried on probation in such custody and has failed to reform.

(c) That the welfare of the minor requires that custody be taken from the minor's parent or guardian.

In any case in which the minor is removed from the physical custody of his or her parent or guardian as the result of an order of wardship made pursuant to Section 602, the order shall specify that the minor may not be held in physical confinement for a period in excess of the maximum term of imprisonment which could be imposed upon an adult convicted of the offense or offenses which brought or continued the minor under the jurisdiction of the juvenile court.

As used in this section and in Section 731, "maximum term of imprisonment" means the longest of the three time periods set forth in paragraph (2) of subdivision (a) of Section 1170 of the Penal Code, but without the need to follow the provisions of subdivision (b) of Section 1170 of the Penal Code or to consider time for good behavior or participation pursuant to Sections 2930, 2931, and 2932 of the Penal Code, plus enhancements which must be proven if pled.

If the court elects to aggregate the period of physical confinement on multiple counts, or multiple petitions, including previously sustained petitions adjudging the minor a ward within Section 602, the "maximum term of imprisonment" shall be the aggregate term of imprisonment specified in subdivision (a) of Section 1170.1 of the Penal Code, which includes any additional term imposed pursuant to Section 667, 667.5, 667.6, or 12022.1 of the Penal Code, and pursuant to Section 11370.2 of the Health and Safety Code.

If the charged offense is a misdemeanor or a felony not included within the scope of Section 1170 of the Penal Code, the "maximum term of imprisonment" is the longest term of imprisonment prescribed by law.

"Physical confinement" means placement in a juvenile hall, ranch, camp, forestry camp or secure juvenile home pursuant to Section 730, or in any institution operated by the Youth Authority.

Nothing in this section shall be construed to limit the power of the court to retain jurisdiction over a minor and to make appropriate orders pursuant to Section 727 for the period permitted by Section 607.

CHAPTER 182

An act to amend Section 6307 of the Water Code, relating to water.

[Approved by Governor July 9, 1994. Filed with
Secretary of State July 11, 1994.]

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

SECTION 1. Section 6307 of the Water Code is amended to read:
6307. (a) (1) An annual fee shall be paid on or before December 31, 1970, and on or before December 31 of each succeeding year, based upon the height of the dam, including all enlargements thereto, substantially completed by or in operation on June 30, 1970, and on June 30 of each succeeding year. The annual fee shall be one hundred fifty dollars (\$150) plus sixteen dollars (\$16) per foot of height of the dam.

(2) The annual fee shall be increased pursuant to the following schedule:

Calendar Year	Fee Per Dam	Fee Per Foot of Height
1995	\$175	\$20
1997	\$200	\$24

(b) For purposes of this section, "height of the dam" means the vertical distance, to the nearest foot, from the natural bed of the stream or watercourse at the downstream toe of the barrier, as determined by the department, or from the lowest elevation of the outside limit of the barrier, as determined by the department, if it is not across a stream channel or watercourse, to the maximum possible water storage elevation.

(c) Notwithstanding subdivision (a), the department shall limit the total annual fee per dam to not more than seventy-five dollars (\$75) if both of the following apply:

(1) The dam has a storage capacity of not more than 100 acre-feet.

(2) The governing body of a private school or the governing board of a public school certifies that the dam is used as a subject of study by its students.

(d) (1) Dams or reservoirs located on farms or ranch properties shall be assessed an annual fee in the amount set forth in paragraph (1) of subdivision (a) and are exempt from the annual fee increases set forth in paragraph (2) of subdivision (a).

(2) For purposes of this subdivision, "farm" has the same meaning as defined in Section 52262 of the Food and Agricultural Code.

(e) (1) Except as provided in subdivision (c), privately owned dams with less than 100 acre-feet of storage capacity shall be assessed an annual fee in accordance with paragraph (1) of subdivision (a) and are exempt from the annual fee increases set forth in paragraph (2) of subdivision (a).

(2) As used in this subdivision, "privately owned" does not include dams owned by municipalities, water districts or companies, irrigation districts, private, investor owned or publicly owned utilities, or public agencies.

CHAPTER 183

An act to amend Section 25299.57 of the Health and Safety Code, relating to hazardous substances, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 9, 1994. Filed with
Secretary of State July 11, 1994.]

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

SECTION 1. Section 25299.57 of the Health and Safety Code is amended to read:

25299.57. (a) If the board makes the determination specified in subdivision (d), the board may only pay for the costs of corrective actions which exceed the level of financial responsibility required to be obtained pursuant to Section 25299.32, but not more than nine hundred ninety thousand dollars (\$990,000) for each occurrence. In the case of an owner or operator who, as of January 1, 1988, was required to perform corrective action, who initiated that corrective action in accordance with Division 7 (commencing with Section 13000) of the Water Code or Chapter 6.7 (commencing with Section 25280), and who is undertaking the corrective action in compliance with waste discharge requirements or other orders issued pursuant to Division 7 (commencing with Section 13000) of the Water Code or Chapter 6.7 (commencing with Section 25280), the owner or operator may apply to the board for satisfaction of a claim filed pursuant to this article.

(b) For claims eligible for reimbursement pursuant to subdivision (c) of Section 25299.55, the claimant shall submit the actual cost of corrective action to the board, which shall either approve or disapprove the costs incurred as reasonable and necessary.

(c) For claims eligible for prepayment pursuant to subdivision (c) of Section 25299.55, the claimant shall submit the estimated cost of the corrective action to the board, which shall approve or disapprove the reasonableness of the cost estimate.

(d) A claim specified in subdivision (a) may be paid if the board makes all of the following findings:

(1) There has been an unauthorized release of petroleum into the environment from an underground storage tank.

(2) The claimant is required to undertake or contract for corrective action pursuant to Section 25299.37, or, as of January 1, 1988, the claimant has initiated corrective action in accordance with

Division 7 (commencing with Section 13000) of the Water Code.

(3) (A) Except as provided in subparagraph (B), the claimant has complied with Section 25299.31 and the permit requirements of Chapter 6.7 (commencing with Section 25280).

(B) All claimants who file their claim on or after January 1, 1994, and all claimants who filed their claim prior to that date but are not eligible for a waiver of the permit requirement pursuant to board regulations in effect on the date of the filing of the claim, and who did not obtain or apply for any permit required by subdivision (a) of Section 25284 by January 1, 1990, shall be subject to subparagraph (A) regardless of the reason or reasons that the permit was not obtained or applied for. However, on and after January 1, 1994, the board may waive the provisions of subparagraph (A) as a condition for payment from the fund if the board finds all of the following:

(i) The claimant was unaware of the permit requirement prior to January 1, 1990, and there was no intent to intentionally avoid the permit requirement or the fees associated with the permit.

(ii) Prior to submittal of the application to the fund, the claimant has complied with Section 25299.31 and has obtained and paid for all permits currently required by this paragraph.

(iii) Prior to submittal of the application to the fund, the claimant has paid all current underground storage tank fees imposed pursuant to Section 25299.41 and all prior fees due on and after January 1, 1991.

(C) (i) A claimant exempted pursuant to subparagraph (B) shall obtain a level of financial responsibility pursuant to Section 25299.32 of at least twenty thousand dollars (\$20,000).

(ii) The board may waive the requirements of clause (i) if the claimant can demonstrate that the conditions specified in clauses (i) to (iii), inclusive, of subparagraph (B) were satisfied prior to the causing of any contamination. That demonstration may be made through a certification issued by the permitting agency based on site and tank tests at the time of permit application or in any other manner acceptable to the board.

(D) The board shall rank all claims resubmitted pursuant to subparagraph (B) lower than all claims filed before January 1, 1994, within their respective priority classes specified in subdivision (b) of Section 25299.52.

(4) The board has approved either the costs incurred for the corrective action pursuant to subdivision (b) or the estimated costs for corrective action pursuant to subdivision (c).

(e) The board shall provide the claimant, whose cost estimate has been approved, a letter of credit authorizing payment of the costs from the fund.

(f) The claimant may submit a claim for partial payment to cover the costs of corrective action performed in stages, as approved by the board.

(g) (1) Any claimant who submits a claim for payment to the board shall submit multiple bids for prospective costs as prescribed in regulations adopted by the board pursuant to Section 25299.77.

(2) Paragraph (1) does not apply to a tank owned or operated by a public agency if the prospective costs are for private professional services within the meaning of Chapter 10 (commencing with Section 4525) of Division 5 of Title 1 of the Government Code and those services are procured in accordance with the requirements of that chapter.

SEC. 2. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

Subdivision (a) of Section 25299.57 of the Health and Safety Code inadvertently included a limitation on eligibility for reimbursements from the Underground Storage Tank Cleanup Fund that is inconsistent with the primary eligibility requirements set forth in subdivision (a) of Section 25299.54. This inconsistency has resulted in ambiguity in the eligibility requirements and has resulted in a hold on several reimbursements of otherwise eligible claimants. These claimants have high priority for payment, but are required now to wait for reimbursement until this ambiguity is eliminated by this act. Any further delays in reimbursement of these claims would be inequitable and inconsistent with the intent of the Barry Keene Underground Storage Tank Cleanup Trust Fund Act of 1989. It is necessary, therefore, to correct this problem at the earliest possible time, that this act take effect immediately.

CHAPTER 184

An act to amend Sections 996.979, 996.993, 997.009, 998.009, 998.029, 998.049, 998.060, 998.071, 998.082, 998.094, and 998.107 of the Military and Veterans Code, relating to veterans.

[Approved by Governor July 9, 1994. Filed with
Secretary of State July 11, 1994.]

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

SECTION 1. Section 996.979 of the Military and Veterans Code is amended to read:

996.979. So long as any bonds authorized under this article may be outstanding, the Director of Veterans Affairs shall cause to be made at the close of each fiscal year, a survey of the financial condition of the Division of Farm and Home Purchases, together with a projection of the division's operations, such survey to be made by an independent public accountant of recognized standing. The results of such surveys and projections shall be set forth in written reports and said independent public accountant shall forward copies of said reports to the Director of Veterans Affairs, the members of the California Veterans Board, or, if such board is redesignated by

the Legislature as the California Veterans Advisory Board, the members of the California Veterans Advisory Board, the appropriate policy committees dealing with veterans affairs in the Senate and the Assembly, and to the members of the Veterans' Finance Committee of 1943. The Division of Farm and Home Purchases shall reimburse said independent public accountant for his services out of any funds which said division may have available on deposit with the Treasurer of the State of California.

SEC. 2. Section 996.993 of the Military and Veterans Code is amended to read:

996.993. So long as any bonds authorized under this article may be outstanding, the Director of Veterans Affairs shall cause to be made at the close of each fiscal year, a survey of the financial condition of the Division of Farm and Home Purchases, together with a projection of the division's operations, such survey to be made by an independent public accountant of recognized standing. The results of such surveys and projections shall be set forth in written reports and said independent public accountant shall forward copies of said reports to the Director of Veterans Affairs, the members of the California Veterans Board, the appropriate policy committees dealing with veterans affairs in the Senate and the Assembly, and to the members of the Veterans' Finance Committee of 1943. The Division of Farm and Home Purchases shall reimburse said independent public accountant for his services out of any funds which said division may have available on deposit with the Treasurer of the State of California.

SEC. 3. Section 997.009 of the Military and Veterans Code is amended to read:

997.009. So long as any bonds authorized under this article may be outstanding, the Director of Veterans Affairs shall cause to be made at the close of each fiscal year, a survey of the financial condition of the Division of Farm and Home Purchases, together with a projection of the division's operations, such survey to be made by an independent public accountant of recognized standing. The results of such surveys and projections shall be set forth in written reports and said independent public accountant shall forward copies of said reports to the Director of Veterans Affairs, the members of the California Veterans Board, the appropriate policy committees dealing with veterans affairs in the Senate and the Assembly, and to the members of the Veterans' Finance Committee of 1943. The Division of Farm and Home Purchases shall reimburse said independent public accountant for his services out of any funds which said division may have available on deposit with the Treasurer of the State of California.

SEC. 4. Section 998.009 of the Military and Veterans Code is amended to read:

998.009. So long as any bonds authorized under this article may be outstanding, the Director of Veterans Affairs shall cause to be made at the close of each fiscal year, a survey of the financial

condition of the Division of Farm and Home Purchases, together with a projection of the division's operations, such survey to be made by an independent public accountant of recognized standing. The results of such surveys and projections shall be set forth in written reports and said independent public accountant shall forward copies of said reports to the Director of Veterans Affairs, the members of the California Veterans Board, the appropriate policy committees dealing with veterans affairs in the Senate and the Assembly, and to the members of the Veterans' Finance Committee of 1943. The Division of Farm and Home Purchases shall reimburse said independent public accountant for his services out of any funds which said division may have available on deposit with the Treasurer of the State of California.

SEC. 5. Section 998.029 of the Military and Veterans Code is amended to read:

998.029. So long as any bonds authorized under this article may be outstanding, the Director of Veterans Affairs shall cause to be made at the close of each fiscal year, a survey of the financial condition of the Division of Farm and Home Purchases, together with a projection of the division's operations, such survey to be made by an independent public accountant of recognized standing. The results of such surveys and projections shall be set forth in written reports, and such independent public accountant shall forward copies of such reports to the Director of Veterans Affairs, the members of the California Veterans Board, the appropriate policy committees dealing with veterans affairs in the Senate and the Assembly, and to the members of the Veterans' Finance Committee of 1943. The Division of Farm and Home Purchases shall reimburse such independent public accountant for his services out of any funds which such division may have available on deposit with the Treasurer of the State of California.

SEC. 6. Section 998.049 of the Military and Veterans Code is amended to read:

998.049. So long as any bonds authorized under this article may be outstanding, the Director of Veterans Affairs shall cause to be made at the close of each fiscal year, a survey of the financial condition of the Division of Farm and Home Purchases, together with a projection of the division's operations, such survey to be made by an independent public accountant of recognized standing. The results of such surveys and projections shall be set forth in written reports, and such independent public accountant shall forward copies of such reports to the Director of Veterans Affairs, the members of the California Veterans Board, the appropriate policy committees dealing with veterans affairs in the Senate and the Assembly, and to the members of the Veterans' Finance Committee of 1943. The Division of Farm and Home Purchases shall reimburse such independent public accountant for his services out of any funds which such division may have available on deposit with the Treasurer of the State of California.

SEC. 7. Section 998.060 of the Military and Veterans Code is amended to read:

998.060. So long as any bonds authorized under this article may be outstanding, the Director of Veterans Affairs shall cause to be made at the close of each fiscal year, a survey of the financial condition of the Division of Farm and Home Purchases, together with a projection of the division's operations, such survey to be made by an independent public accountant of recognized standing. The results of such surveys and projections shall be set forth in written reports, and such independent public accountant shall forward copies of such reports to the Director of Veterans Affairs, the members of the California Veterans Board, the appropriate policy committees dealing with veterans affairs in the Senate and the Assembly, and to the members of the Veterans' Finance Committee of 1943. The Division of Farm and Home Purchases shall reimburse such independent public accountant for his services out of any funds which such division may have available on deposit with the Treasurer of the State of California.

SEC. 8. Section 998.071 of the Military and Veterans Code is amended to read:

998.071. So long as any bonds authorized under this article are outstanding, the Director of Veterans Affairs shall, at the close of each fiscal year, require a survey of the financial condition of the Division of Farm and Home Purchases, together with a projection of the division's operations, to be made by an independent public accountant of recognized standing. The results of each survey and projection shall be reported in writing by the public accountant to the Director of Veterans Affairs, the California Veterans Board, the appropriate policy committees dealing with veterans affairs in the Senate and the Assembly, and the committee.

The Division of Farm and Home Purchases shall reimburse the public accountant for these services out of any money which the division may have available on deposit with the Treasurer.

SEC. 9. Section 998.082 of the Military and Veterans Code is amended to read:

998.082. So long as any bonds authorized under this article are outstanding, the Director of Veterans Affairs shall, at the close of each fiscal year, require a survey of the financial condition of the Division of Farm and Home Purchases, together with a projection of the division's operations, to be made by an independent public accountant of recognized standing. The results of each survey and projection shall be reported in writing by the public accountant to the Director of Veterans Affairs, the California Veterans Board, the appropriate policy committees dealing with veterans affairs in the Senate and the Assembly, and the committee.

The Division of Farm and Home Purchases shall reimburse the public accountant for these services out of any money which the division may have available on deposit with the Treasurer.

SEC. 10. Section 998.094 of the Military and Veterans Code is

amended to read:

998.094. So long as any bonds authorized under this article are outstanding, the Director of Veterans Affairs shall, at the close of each fiscal year, require a survey of the financial condition of the Division of Farm and Home Purchases, together with a projection of the division's operations, to be made by an independent public accountant of recognized standing. The results of each survey and projection shall be reported in writing by the public accountant to the Director of Veterans Affairs, the California Veterans Board, the appropriate policy committees dealing with veterans affairs in the Senate and the Assembly, and the committee.

The Division of Farm and Home Purchases shall reimburse the public accountant for these services out of any money which the division may have available on deposit with the Treasurer.

SEC. 11. Section 998.107 of the Military and Veterans Code is amended to read:

998.107. So long as any bonds authorized under this article are outstanding, the Director of Veterans Affairs shall, at the close of each fiscal year, require a survey of the financial condition of the Division of Farm and Home Purchases, together with a projection of the division's operations, to be made by an independent public accountant of recognized standing. The results of each survey and projection shall be reported in writing by the public accountant to the Director of Veterans Affairs, the California Veterans Board, the appropriate policy committees dealing with veterans affairs in the Senate and the Assembly, and the committee.

The Division of Farm and Home Purchases shall reimburse the public accountant for these services out of any money which the division may have available on deposit with the Treasurer.

CHAPTER 185

An act to amend Section 7026.12 of the Business and Professions Code, relating to contractors.

[Approved by Governor July 9, 1994. Filed with
Secretary of State July 11, 1994.]

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

SECTION 1. Section 7026.12 of the Business and Professions Code is amended to read:

7026.12. The installation of a fire protection system, excluding an electrical alarm system, shall be performed only by a contractor holding a fire protection contractor classification as defined in the regulations of the board or by an owner-builder of an owner-occupied, single-family dwelling, if not more than two single-family dwellings on the same parcel are constructed within

one year, plans are submitted to and approved by the city, county, or city and county authority, and the city, county, or city and county authority inspects and approves the installation.

CHAPTER 186

An act to amend Section 952 of the Evidence Code, relating to privilege.

[Approved by Governor July 9, 1994. Filed with
Secretary of State July 11, 1994.]

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

SECTION 1. Section 952 of the Evidence Code is amended to read:

952. As used in this article, "confidential communication between client and lawyer" means information transmitted between a client and his or her lawyer in the course of that relationship and in confidence by a means which, so far as the client is aware, discloses the information to no third persons other than those who are present to further the interest of the client in the consultation or those to whom disclosure is reasonably necessary for the transmission of the information or the accomplishment of the purpose for which the lawyer is consulted, and includes a legal opinion formed and the advice given by the lawyer in the course of that relationship. Such information transmitted to and from a facsimile, cellular radio telephone, or cordless telephone is confidential. The definitions set forth in subdivision (c) of Section 632.7 of the Penal Code shall apply to this section.

CHAPTER 187

An act to amend Section 5301 of the Vehicle Code, relating to vehicles.

[Approved by Governor July 9, 1994. Filed with
Secretary of State July 11, 1994.]

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

SECTION 1. Section 5301 of the Vehicle Code is amended to read:

5301. (a) Notwithstanding any other provision of this code and Part 5 (commencing with Section 10701) of Division 2 of the Revenue and Taxation Code, the registered owner or lessee of a fleet of vehicles consisting of commercial motor vehicles or commercial

trailers, proportionately registered commercial trailers base plated in the state under Article 5 (commencing with Section 8150) of Chapter 4, or passenger automobiles may, upon payment of appropriate fees, apply to the department for permanent license plates or decals and registration cards.

(b) Fleets shall consist of at least 100 vehicles to qualify for this program. However, the department may provide for permanent fleet registration through an association providing a combination of fleets of vehicles of 500 or more vehicles with no individual fleet of fewer than 50 vehicles. An association submitting an application of participation in the program shall provide within the overall application a listing identifying the owner of each fleet and the vehicles within each fleet. Identification of the vehicles as provided in this article applies to the ownership of the vehicles and not the association submitting the application.

CHAPTER 188

An act to amend Section 1748.12 of the Civil Code, relating to civil law, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 9, 1994. Filed with
Secretary of State July 11, 1994.]

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

SECTION 1. Section 1748.12 of the Civil Code is amended to read:

1748.12. (a) For purposes of this section:

(1) "Cardholder" means any consumer to whom a credit card is issued, provided that in cases when more than one credit card has been issued for the same account, all persons holding those credit cards may be treated as a single cardholder.

(2) "Credit card" means any card, plate, coupon book, or other single credit device existing for the purpose of being used from time to time upon presentation to obtain money, property, labor, or services on credit. "Credit card" does not mean any of the following:

(A) Any single credit device used to obtain telephone property, labor, or services in any transaction under public utility tariffs.

(B) Any device that may be used to obtain credit pursuant to an electronic fund transfer but only if the credit is obtained under an agreement between a consumer and a financial institution to extend credit when the consumer's asset account is overdrawn or to maintain a specified minimum balance in the consumer's asset account.

(C) Any key or card key used at an automated dispensing outlet to obtain or purchase petroleum products, as defined in subdivision (c) of Section 13401 of the Business and Professions Code, which will

be used primarily for business rather than personal or family purposes.

(3) "Marketing information" means the categorization of cardholders compiled by a credit card issuer, based on a cardholder's shopping patterns, spending history, or behavioral characteristics derived from account activity which is provided to a marketer of goods for consideration. "Marketing information" does not include aggregate data which does not identify a cardholder based on the cardholder's shopping patterns, spending history, or behavioral characteristics derived from account activity or any communications to any person in connection with any transfer, processing, billing, collection, chargeback, fraud prevention, credit card recovery, or acquisition of or for credit card accounts.

(b) If the credit card issuer discloses marketing information concerning a cardholder to any person, the credit card issuer shall provide a written notice to the cardholder that clearly and conspicuously describes the cardholder's right to prohibit the disclosure to marketers of goods of marketing information concerning the cardholder which discloses the cardholder's identity. The notice shall include either a preprinted form by which the cardholder may exercise this right or shall advise the cardholder of a toll-free telephone number which the cardholder may call to exercise this right.

(c) The requirements of subdivision (b) may be satisfied by furnishing the notice to the cardholder (1) on or with the credit application, (2) with the credit card when it is delivered to the cardholder, or (3) in any manner and at any time, provided that it is furnished prior to the disclosure of marketing information relating to the cardholder. No notice need be furnished to a cardholder to whom prior notice has been given, as to whom no marketing information will be disclosed, or to whom notice has been given prior to the effective date of this act which complies with the provisions of subdivision (b).

(d) An election to prohibit disclosure of marketing information, as provided in subdivision (b), shall terminate upon receipt by the credit card issuer of notice from the cardholder that the cardholder's election under subdivision (b) is no longer effective.

(e) The requirements of subdivisions (b) and (c) do not apply to any of the following communications of marketing information by a credit card issuer:

(1) Communications to any party to, or merchant specified in, the credit card agreement, or to any person whose name appears on the credit card or on whose behalf the credit card is issued.

(2) Communications to consumer credit reporting agencies, as defined in subdivision (d) of Section 1785.3.

(3) Communications to a corporate subsidiary or affiliate of the card issuer.

(4) Communications to a third party when the third party is responsible for conveying information from the card issuer to any of

its cardholders.

(f) If the laws of the United States require disclosure to cardholders regarding the use of personal information, compliance with the federal requirements shall be deemed to be compliance with this section.

(g) This section shall become operative on July 1, 1994.

SEC. 2. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to clarify various provisions of Chapter 622 of the Statutes of 1993, which will become operative July 1, 1994, it is necessary that this act take effect immediately.

CHAPTER 189

An act relating to air pollution.

[Approved by Governor July 9, 1994. Filed with
Secretary of State July 11, 1994.]

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

SECTION 1. (a) On or before December 31, 1995, the State Air Resources Board shall prepare and submit a report to the Governor and the Legislature which identifies requirements established under Chapter 10 (commencing with Section 40910) of Part 3 of Division 26 of the Health and Safety Code for the preparation and submittal of air pollution control district and air quality management district plans to achieve state ambient air quality standards, and similar requirements established under the federal Clean Air Act (42 U.S.C. Sec. 7401 et seq.) for the preparation and submittal of district plans for the achievement of federal ambient air quality standards.

(b) The report shall identify any inconsistencies in state and federal deadlines for the preparation and submittal of plans, any duplication or overlap in the state and federal planning processes, and related data collection and inventory requirements. The report shall make recommendations for changes in state law to harmonize the two planning processes, to reduce duplication and paperwork for districts while ensuring the timely preparation and submittal of plans and the achievement and maintenance of California's air quality standards by the earliest practicable date, consistent with Division 26 (commencing with Section 39000) of the Health and Safety Code.

(c) It is the intent of the Legislature that the report required by this section, and the recommendations contained therein, be performed in a manner that does not in any manner diminish or weaken California's efforts for the achievement of state ambient air quality standards.

CHAPTER 190

An act to amend Section 6085 of the Business and Professions Code, relating to attorneys.

[Approved by Governor July 9, 1994. Filed with
Secretary of State July 11, 1994.]

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

SECTION 1. Section 6085 of the Business and Professions Code is amended to read:

6085. Any person complained against shall be given reasonable notice and have a reasonable opportunity and right:

(a) To defend against the charge by the introduction of evidence.

(b) To receive any and all exculpatory evidence from the State Bar after the initiation of a disciplinary proceeding in State Bar Court, and thereafter when this evidence is discovered and available. This subdivision shall not require the disclosure of mitigating evidence.

(c) To be represented by counsel.

(d) To examine and cross-examine witnesses.

He or she shall also have the right to the issuance of subpoenas for attendance of witnesses to appear and testify or produce books and papers, as provided in this chapter.

CHAPTER 191

An act to amend Section 50459 of the Health and Safety Code, relating to land use.

[Approved by Governor July 9, 1994. Filed with
Secretary of State July 11, 1994.]

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

SECTION 1. Section 50459 of the Health and Safety Code is amended to read:

50459. (a) The department may adopt, and from time to time revise, guidelines for:

(1) The preparation of housing elements required by Section 65302 and Article 10.6 (commencing with Section 65580) of Chapter 3 of Division 1 of Title 7 of the Government Code.

(2) The preparation of a document that meets both of the following:

(A) Requirements for housing elements pursuant to Section 65302 and Article 10.6 (commencing with Section 65580) of Chapter 3 of Division 1 of Title 7 of the Government Code.

(B) Requirements for a Comprehensive Housing Affordability Strategy required by Part 91 of Title 24 of the Code of Federal Regulations.

(b) The department shall review housing elements and amendments for substantial compliance with Article 10.6 (commencing with Section 65580) of Chapter 3 of Division 1 of Title 7 of the Government Code and report its findings pursuant to Section 65585 of the Government Code.

(c) On or before December 31, 1991, and annually thereafter, the department shall report to the Legislature on the status of housing elements and the extent to which they comply with the requirements of Article 10.6 (commencing with Section 65580) of Chapter 3 of Division 1 of Title 7 of the Government Code. The department shall also make this report available to any other public agency, group, or person who requests a copy.

(d) The department may, in connection with any loan or grant application submitted to the agency, require submission to the department for review of any housing element and any local housing assistance plan adopted pursuant to the Housing and Community Development Act of 1974 (Public Law 93-383).

CHAPTER 192

An act to amend Section 7071.8 of, and to add Sections 7121.1 and 7122.1 to, the Business and Professions Code, relating to contractors.

[Approved by Governor July 9, 1994. Filed with
Secretary of State July 11, 1994.]

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

SECTION 1. Section 7071.8 of the Business and Professions Code is amended to read:

7071.8. (a) This section applies to an application for a license, for renewal or restoration of a license, an application to change officers of a corporation, or for continued valid use of a license which has been disciplined, whether or not the disciplinary action has been stayed, made by any of the following persons or firms:

(1) Any person whose license has been suspended or revoked as a result of disciplinary action, or any person who was a qualifying individual for a licensee at any time during which cause for disciplinary action occurred resulting in suspension or revocation of the licensee's license, whether or not the qualifying individual had knowledge or participated in the prohibited act or omission.

(2) Any person who was an officer, director, member, or partner of a licensee at any time during which cause for disciplinary action occurred resulting in suspension or revocation of the licensee's license and who had knowledge of or participated in the act or

omission which was the cause for the disciplinary action.

(3) Any partnership, corporation, firm, or association of which any existing or new officer, director, member, partner, or qualifying person has had a license suspended or revoked as a result of disciplinary action.

(4) Any partnership, corporation, firm, or association of which any officer, director, member, partner, or qualifying person was a member, officer, director, or partner of a licensee at any time during which cause for disciplinary action occurred resulting in suspension or revocation of the license, and who had knowledge of or participated in the act or omission which was the cause for the disciplinary action.

(b) The board shall require as a condition precedent to the issuance, reissuance, renewal, or restoration of a license to the applicant, or to the approval of an application to change officers of a corporation, or removal of suspension, or to the continued valid use of a license which has been suspended or revoked, but which suspension or revocation has been stayed, that the applicant or licensee file or have on file a contractor's bond in a sum to be fixed by the registrar based upon the seriousness of the violation, but which sum shall not be less than fifteen thousand dollars (\$15,000) nor more than 10 times that amount required by Section 7071.6.

(c) The bond is in addition to, may not be combined with, and does not replace any other type of bond required by this chapter. The bond shall remain on file with the registrar for a period of at least two years and for such additional time as the registrar may determine. The bond period shall run only while the license is current, active, and in good standing, and shall be extended until such time as the license has been current, active, and in good standing for the required period. Each applicant or licensee shall be required to file only one disciplinary contractor's bond of the type described in this section for each application or license subject to this bond requirement.

SEC. 2. Section 7121.1 is added to the Business and Professions Code, to read:

7121.1. Notwithstanding any other provision of this chapter, the disassociation of any member, officer, director, or associate from the license of any partnership, corporation, firm, or association whose license has been cited pursuant to Section 7099 shall not relieve the member, officer, director, or associate from responsibility for complying with the citation if he or she had knowledge of, or participated in, any of the prohibited acts for which the citation was issued. Section 7121 shall apply to any member, officer, director, or associate of a licensee that fails to comply with a citation after it is final.

SEC. 3. Section 7122.1 is added to the Business and Professions Code, to read:

7122.1. Notwithstanding Section 7068.2 or any other provision of this chapter, the disassociation of any qualifying partner, responsible

managing officer, or responsible managing employee from a license that has been cited pursuant to Section 7099 shall not relieve the qualifying partner, responsible managing officer, or responsible managing employee from responsibility for complying with the citation. Section 7122.5 shall apply to any qualifying partner, responsible managing officer, or responsible managing employee of a licensee that fails to comply with a citation after it is final.

CHAPTER 193

An act to amend Section 22115 of, and to add Section 22137.5 to, the Education Code, relating to the State Teachers' Retirement System.

[Approved by Governor July 9, 1994. Filed with
Secretary of State July 11, 1994.]

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

SECTION 1. Section 22115 of the Education Code is amended to read:

22115. (a) "Compensation earnable" by a member means the compensation as determined by the board that would have been earned by the member if he or she were engaged in his or her duties on a fulltime basis.

(b) For part-time service, "compensation earnable" means the compensation that would be earnable if the employment were on a fulltime basis and the member worked fulltime.

SEC. 2. Section 22137.5 is added to the Education Code, to read:

22137.5. "Fulltime" means service that is not less than the minimum schoolday for each day the schools of the district are maintained during the school year. If persons employed in positions requiring certification qualifications are required to serve a longer period of time in each schoolday than the minimums required, the longer period is recognized provided all those employees in similar grades or levels are similarly required to serve the longer periods of time, and provided that the duties required of those persons during the extended time is directly related to and restricted to their normal assignment.

CHAPTER 194

An act to amend Section 17705.11 of the Education Code, relating to school districts, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 11, 1994. Filed with
Secretary of State July 12, 1994.]

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

SECTION 1. Section 17705.11 of the Education Code is amended to read:

17705.11. (a) Any school district with an average daily attendance of less than 2,501 pupils may apply to the State Allocation Board for a loan to cover the project activities of the first or second phase, as those phases were defined on July 1, 1993, of a project funded under this chapter. The loan shall not be utilized for the purchase of real property and shall be repaid by the school district either through a dedication of fees or charges levied pursuant to Section 53080 of the Government Code until the loan is repaid or upon receiving the project funding at the construction phase, but, in any event, the loan shall be repaid within five years from the date on which the board makes the loan. In addition to the other methods of repayment specified in this subdivision, the board may also notify the Controller if a school district is 90 days late in making loan repayments, in which case the Controller shall reduce the apportionments to which the school district is otherwise entitled under Section 42238 as necessary to recover past due payments and any current payments.

(b) Any school district accepting a loan pursuant to this section shall continue to be subject to the local matching share requirement pursuant to Section 17705.5 until the loan is repaid under a payment schedule established by the board.

(c) The board shall charge an interest amount for the loan. For any loan provided from January 1, 1994, to December 31, 1994, the interest rate shall be the interest rate charged for the last sale of state school construction bonds sold during 1993. For any loan provided on or after January 1, 1995, the interest rate shall be determined by the board to ensure that the rate is no less than the interest rate of the latest scale of state bonds and no less than the interest rate earned while the funds remain to be expended by the recipient school district.

(d) The board may make loans under this section to the extent that the board determines that funds are available for that purpose. The total annual maximum funds that may be loaned under this section is ten million dollars (\$10,000,000) per fiscal year.

(e) The board may make loans under this section only for those projects and phases that have met all of the eligibility standards of

the board and receive approval for an apportionment, but for which apportionment funds are not available. In any event, the amount of the loan shall not exceed the amount that would have been eligible for apportionment.

SEC. 3. The Legislature finds and declares as follows:

(a) The governing boards of the Riverdale Joint Union Elementary School District and the Riverdale Joint Union High School District have initiated or may in the future initiate an action pursuant to Chapter 4 (commencing with Section 35700) of Part 21 of the Education Code to unify while leaving the Burrel Union Elementary School District and the Westside Elementary School District as independent elementary school districts within the boundaries of the newly unified school district that feed into the newly unified school district.

(b) Pursuant to the unification described in subdivision (a), the Burrel Union Elementary School District and the Westside Elementary School District shall be excluded from the unification action, shall continue as independent elementary school districts within the boundaries of the newly unified school district, and shall continue to serve pupils in kindergarten and grades 1 to 8, inclusive. All students in grades 9 to 12, inclusive, within the attendance areas of the Burrel Union Elementary School District and the Westside Elementary School District shall attend school in the newly unified school district.

SEC. 4. (a) Notwithstanding Section 35707 of the Education Code or any other provision of law, if the county committee, as defined in Section 35512 of the Education Code, finds after its study that the conditions enumerated in paragraphs (1) to (10), inclusive, of subdivision (a) of Section 35753 of the Education Code are substantially met and approves the unification of Riverdale Joint Union Elementary School District and Riverdale Joint Union High School District as proposed, the county committee shall notify the county superintendent of schools who shall immediately call an election in the manner described in Part 4 (commencing with Section 5000) of the Education Code, to be conducted at the next regular election in the territory of the proposed newly unified school district. However, notwithstanding any other provision of law, the election shall be called not later than 89 days before the election. The hearings required pursuant to Sections 35523 and 35705 of the Education Code may be consolidated and held jointly as it appears most convenient and practical to the county officers or agencies conducting the hearing. The action by the county committee approving or disapproving the unification may be appealed to the State Board of Education pursuant to Section 35710.5 of the Education Code. The appeal shall be limited to issues of noncompliance with Section 35705, 35706, 35709, or 35710 of the Education Code. If an appeal is made as to the issue of whether the proposed transfer will adversely affect the racial or ethnic integration of the schools of the districts affected, it shall be made

pursuant to Section 35711 of the Education Code.

(b) Notwithstanding any other provision of law, the qualified electors within the Riverdale Joint Union Elementary School District, the Burrel Union Elementary School District, and the Westside Elementary School District are entitled to vote in the election to unify the Riverdale Joint Union Elementary School District and the Riverdale Joint Union High School District and for the election of trustees to the governing board of the newly unified school district at the unification election and in future elections for trustees for the governing board of the unified school district. Eligible residents of the Burrel Union Elementary School District and the Westside Elementary School District may run for election to the governing board of the newly unified school district.

(c) Notwithstanding any other provision of law, if the unification and the election of the trustees are not submitted to the qualified electors at the November 1994 general election, the county superintendent of schools may call a special election, to be held in March 1995, to vote on (1) the unification of the Riverdale Joint Union Elementary School District and the Riverdale Joint Union High School District (2) for the election of trustees to the governing board of the newly unified school district, or (3) both. Notwithstanding Section 35534 of the Education Code, if the election is held in March, the newly unified school district shall commence operations on July 1, 1995, on which date the unification shall be effective for all purposes.

SEC. 5. Notwithstanding any other provision of law, the action to unify the Riverdale Joint Union Elementary School District and the Riverdale Joint Union High School District shall be effective only if the Burrel Union Elementary School District and the Westside Elementary School District remain as independent elementary school districts within the newly unified school district. Notwithstanding Section 35542 of the Education Code, if unification occurs pursuant to Section 3 of this act, the Burrel Union Elementary School District and the Westside Elementary School District shall remain as independent elementary school districts within the newly unified school district. The Burrel Union Elementary School District or the Westside Union Elementary School District may subsequently reorganize to unify with the newly unified school district pursuant to Section 35700 of the Education Code.

SEC. 6. (a) If the unification specified in Section 3 of this act is completed, the pupils in grades 9 to 12, inclusive, who reside in the portions of the newly unified school district served by the Burrel Union Elementary School District and the Westside Elementary School District shall attend grades 9 to 12, inclusive, in the newly unified school district under the same terms that they would have attended high school in the Riverdale Joint Union High School District.

(b) If the unification described in Section 3 of this act is completed, the pupils in kindergarten and grades 1 to 8, inclusive,

who reside in the Burrel Union Elementary School District and the Westside Elementary School District shall attend school in the Burrel Union Elementary School District or the Westside Union Elementary School District under the same terms that they would have attended those districts prior to the unification action.

SEC. 7. Notwithstanding any other provision of law, for purposes of subdivision (d) of Section 42238 of the Education Code, the average daily attendance of the newly unified school district shall be the average daily attendance that is attributable to the area reorganized for the fiscal year in which the newly unified school district becomes effective for all purposes.

SEC. 8. Notwithstanding any other provision of law, for purposes of Division 13 (commencing with Section 21000) of the Public Resources Code, the county committee, as defined in Section 35512 of the Education Code, shall be deemed to be the "lead agency" with regard to any project undertaken as a result of the unification action described in Section 3 of this act.

SEC. 9. Due to unique circumstances concerning the proposed unification of the Riverdale Joint Union High School District and the Riverdale Joint Union Elementary School District, the Legislature finds and declares that a general statute cannot be made applicable within the meaning of Section 16 of Article IV of the California Constitution.

SEC. 10. Sections 3 to 6, inclusive, and Sections 8 and 9 of this act shall remain in effect only until January 1, 1998, and as of that date are repealed, unless a later enacted statute, which is enacted before January 1, 1998, deletes or extends that date.

SEC. 11. Notwithstanding Section 17610 of the Government Code, 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. If the statewide cost of the claim for reimbursement does not exceed one million dollars (\$1,000,000), reimbursement shall be made from the State Mandates Claims Fund. Notwithstanding Section 17580 of the Government Code, unless otherwise specified in this act, the provisions of this act shall become operative on the same date that the act takes effect pursuant to the California Constitution.

SEC. 12. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

One of the component school districts that will form the newly unified school district in the Riverdale area has and continues to experience a pattern of deficit spending over the last 10 years. The deficit for the 1993-94 school year was seven hundred dollars (\$700) per pupil. The situation is continuing to deteriorate. Unification will join this school district with a financially healthy school district and

the resulting unified school district will meet the financial criteria and all other criteria of Section 35753 of the Education Code. All school districts within the boundaries of the proposed unified school district support the unification as proposed. Existing State Board of Education administrative procedures and hearings for unification are substantially similar to the procedures conducted by the county committee, as defined in Section 35512 of the Education Code. The time required to complete both procedures before the county committee and before the board will delay unification beyond July 1, 1995. If unification is delayed beyond July 1, 1995, the financial condition of the troubled school district will have deteriorated to the extent that unification will not be possible because the financial criteria of Section 35753 of the Education Code cannot be met. This troubled school district would then be a candidate for state receivership and a burden on the taxpayers. This bill, which allows for unification after the approval of the county committee and the approval of the electorate, must be effective prior to January 1, 1995, so that the unification will become effective for all purposes on July 1, 1995. Thus, it is necessary that this act take effect immediately.

CHAPTER 195

An act to amend Sections 49460, 49461, 49463, and 49465 of, and to add Section 49466 to, the Education Code, to amend Sections 1189.101, 1189.103, 1189.109, 1189.113, 24162, 24163, 24164, 24167, 24168.6, 24168.7, 24168.8, and 24169.8 of, to add Section 1189.107 to, to repeal and add Section 1189.105 of, and to add and repeal Article 8.7 (commencing with Section 424.10) of Chapter 2 of Part 1 of Division 1 of, the Health and Safety Code, to amend Sections 12696.05, 12698, 12699, 12699.50, and 12733 of the Insurance Code, to amend Sections 14148.5, 14148.99, 16809.5, 16909, 16918, 16930, 16931, 16934.5, 16935, 16936, 16937, 16938, 16941.1, 16942, 16945, 16948, 16952, 16970, 16980, 16981, and 16997.1 of, to add Section 16935.5 to, and to repeal Section 16954 of, the Welfare and Institutions Code, and to amend Section 43 of Chapter 278 of the Statutes of 1991, relating to public social services, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 11, 1994. Filed with
Secretary of State July 12, 1994.]

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

SECTION 1. Section 49460 of the Education Code is amended to read:

49460. The State Department of Education, the State Department of Health Services, and the State Department of Social Services shall jointly enter into a collaborative agreement with the

California State University, the University of California, and California medical schools, to establish a standardized health assessment of the children within public schools, and develop a data base on the health of children who are representative of the state's population. The University of California is responsible for coordinating this effort. The agreement shall address all of the following:

(a) Conducting the health assessment which may include the following:

(1) Anthropometric measures.

(2) Testing for physical fitness.

(3) Testing for chronic disease indicators by using the following methods:

(A) A survey of family health and medical history.

(B) Blood pressure measurement.

(C) A blood panel by participating pupils, on a voluntary basis, and with the written consent of the pupil's parent or guardian.

(4) Assessment of the nutritional status of participating pupils.

(5) Conducting a voluntary and anonymous survey relating to alcohol, drug, and tobacco use, and related diseases.

(b) Establishing a coordinating center at the University of California, in collaboration with the California State University and California medical schools, with pupil assessment sites at public schools.

(c) Summarizing the assessment findings that shall be made available to the public.

(d) Providing the assessment results to the State Department of Health Services, other state agencies, and to medical and education groups.

SEC. 2. Section 49461 of the Education Code is amended to read:

49461. The coordinating center at the University of California shall select a sample of schools that is demographically and ethnically representative of the state's population to participate in the health assessment.

SEC. 3. Section 49463 of the Education Code is amended to read:

49463. The University of California shall notify each school selected to participate in the assessment about any pupils at that school for whom the assessment has detected any health problems and shall notify the parent or guardian of each pupil for whom the assessment has detected health problems and shall recommend further consultation with a physician. If there is no physician available, the coordinating center shall direct the parent or guardian to an appropriate medical referral. Under no circumstances shall a school or the University of California be held liable for the parent or guardian's action, or failure to take action on seeking medical care for the identified health problem. This section is not applicable to alcohol, drug, and tobacco use.

SEC. 4. Section 49465 of the Education Code is amended to read:

49465. (a) The agencies enumerated in Section 49460 shall only

be required to implement this article upon the availability of funds received from the private sector and state funds appropriated for the purposes of this article in a total amount sufficient to cover all costs relating to the implementation and continuing administration of this article.

(b) The University of California shall notify all participating entities, including school districts, the State Department of Education, the State Department of Health Services, the State Department of Social Services, and the California State University when sufficient funds are available to meet the requirements specified in subdivision (a).

(c) Any funds received from the private sector under this article shall be deposited in the State Treasury and are continuously appropriated to the University of California, which shall allocate those funds to participating agencies to reimburse those agencies for costs incurred in carrying out this article. The amounts allocated to the State Department of Education shall include amounts sufficient to reimburse participating school districts for any costs incurred pursuant to this article.

No school district shall be required to participate in the assessments unless it is reimbursed from those funds for all costs incurred pursuant to this article.

(d) Reimbursements pursuant to this section shall be limited to the amounts and purposes specified in the collaborative agreement described in Section 49460.

SEC. 5. Section 49466 is added to the Education Code, to read: 49466. No provision of this chapter shall apply to the University of California unless the Regents of the University of California, by resolution, make that provision applicable.

SEC. 6. Article 8.7 (commencing with Section 424.10) is added to Chapter 2 of Part 1 of Division 1 of the Health and Safety Code, to read:

Article 8.7. Cigarette and Tobacco Products Surtax Research Program

424.10. (a) (1) The Legislature finds that the efforts to reduce smoking in California have led to a drop in the consumption of tobacco. Although not on target to meet the goal of achieving a 75-percent reduction in tobacco consumption in California by the year 1999, the results are encouraging.

(2) The Legislature further finds that as a result of the success of the programs, the money received from the taxation of tobacco has been dropping. The Legislature declares this a sign of success, not a matter of concern.

(3) The Legislature further notes that programs, organizations, and individuals receiving money from the Cigarette and Tobacco Products Surtax Fund are receiving money from a declining revenue source. The Legislature finds that this success has led to an obvious

concern and fear among recipients that "their money" is shrinking every year.

(4) The Legislature finds that, assuming the success of the antismoking efforts continue, there will be necessary reductions in spending in the years to come.

(5) The Legislature declares its intention to seek full analysis of all programs receiving money under Proposition 99 and declares its intention to critically evaluate how the money is being spent and whether the spending is achieving the results desired.

(6) The Legislature specifically rejects the notion that every dollar of expenditure made by every program, organization, or activity is of equal value. Instead, the Legislature declares its intention to choose between competing programs and to allocate moneys to those programs and activities that are most successful in meeting the goals of the initiative.

(b) It is the intent of the Legislature to provide for the continuation of the Cigarette and Tobacco Products Surtax Research Program to support research into tobacco-related disease. It is the intent of the Legislature that this program be administered by the University of California and that this program be administered pursuant to the following principles:

(1) The research program established should adhere to the objectives stated in the provisions of the initiative act entitled Cigarette and Tobacco Products Surtax regarding research: "The Research Account . . . shall only be available for tobacco-related disease research."

(2) All research funds shall be awarded on the basis of scientific merit as determined by an open, competitive peer review process that assures objectivity, consistency, and high quality. All qualified investigators, regardless of institutional affiliation, shall have equal access and opportunity to compete for the funds in the Research Account.

(3) The peer review process for the selection of grants awarded under this program shall be modeled on that used by the National Institutes of Health in its grant-making process.

(4) Awardees shall be reimbursed for the full cost, both direct and indirect, of conducting the sponsored research consistent with federal guidelines governing all federal research grants and contracts.

424.20. The Legislature hereby requests the University of California to continue to administer a comprehensive grant program to support research efforts related to the prevention, causes, and treatment of tobacco-related diseases. It is the intent of the Legislature that the program incorporate the principles and organizational elements specified in this article, including, but not limited to, a program office with a director and other necessary staff, a scientific advisory committee, and research review panels.

424.30. For the purposes of this article:

(a) "Grantee" means any qualifying public, private, or nonprofit

agency or individual including, but not limited to, colleges, universities, hospitals, laboratories, research institutions, local health departments, voluntary health agencies, health maintenance organizations, and individuals conducting research in California.

(b) "Indirect costs" includes such items as use allowance for research facilities, heating, lighting, library services, health and safety services, project administration, and building maintenance, as defined by federal cost accounting guidelines for federally sponsored research.

(c) "Tobacco-related disease" includes, but is not limited to, the following:

(1) Coronary heart disease.

(2) Cerebrovascular disease.

(3) Cancer, including cancers of the lung, larynx, esophagus, bladder, pancreas, and mouth. It is the intent of the Legislature that the university further research the epidemiological link between smoking and breast cancer and prostate cancer.

(4) Chronic obstructive lung disease, including emphysema, chronic bronchitis, asthma, and related lung disorders.

(5) Other conditions or diseases that smoking or tobacco use has been established to be a risk factor for excess disability and illness.

(d) "Tobacco-related disease research" includes, but is not limited to, research in the fields of biomedical science, the social and behavioral sciences, public policy, epidemiology, and public health.

(e) "Public policy research" means research that investigates and evaluates various programs and strategies used by governmental, private, and nonprofit organizations to control tobacco use.

(f) "University" means the University of California.

424.40. It is the intent of the Legislature that the university establish a scientific advisory committee to provide advice to the president of the university as to the direction, scope, and progress of the research program.

(a) Responsibilities of the committee may include, but are not limited to:

(1) Provision of advice on program priorities and emphasis.

(2) Provision of advice on overall program budget.

(3) Participation in periodic program evaluation.

(4) Assistance in developing guidelines to assure fairness, neutrality, and adherence to the principles of merit and quality in the conduct of the program.

(5) Assistance in developing appropriate linkages to nonacademic entities such as voluntary organizations, health care delivery institutions, industry, government agencies, and public officials.

(b) Responsibilities of the committee may additionally include:

(1) Development of criteria and standards for grant awards.

(2) Development of administrative procedures relative to the solicitation, review, and award of grants to ensure an impartial, high quality peer review system.

(3) Development and supervision of research review panels.

(4) Review of research review panel reports and recommendations for grant awards.

(5) Development and oversight of mechanisms for the dissemination of research results.

(c) It is the intent of the Legislature that the committee consist of at least nine members representing a range of scientific expertise and experience appointed by the president of the university from nominations submitted by relevant organizations, as follows:

(1) Three members from voluntary health organizations dedicated to the reduction of tobacco use.

(2) One member with expertise in the field of biomedical research.

(3) One member with expertise in the field of behavioral or social research.

(4) One member from professional medical or health organizations.

(5) One member from an independent research university in California.

(6) One member drawn from other institutions engaged in research directed at tobacco-related diseases.

(7) One member representing tobacco control for the State Department of Health Services.

(8) One member representing a community-based provider of health education and prevention services.

(d) Committee membership shall be drawn from the ranks of bona fide scientists and individuals fully conversant with the norms of scientific inquiry.

(e) Members shall serve at the pleasure of the President of the University of California. Membership may be staggered in such a way as to maintain a full committee while ensuring a reasonable degree of continuity of expertise and consistency of direction.

(f) Members shall serve without compensation, but may receive reimbursement for travel and other necessary expenses actually incurred in the performance of their official duties.

(g) The Legislature hereby declares that public policy research is an area of compelling interest because of its potential to determine the best methods for reducing tobacco use on a wide scale among Californians. The scientific advisory committee shall give a high priority to proposals for grant awards to fund public policy research.

424.55. It is the intent of the Legislature that the university utilize peer review panels modeled upon the National Institutes of Health peer review process to review all research grants. The membership of these panels shall vary depending on the subject matter of proposals and review requirements, and shall draw on the most qualified individuals from appropriate institutions within and outside the State of California and from within and without the University of California system. The work of the peer review panels shall be administered pursuant to policies and procedures established by the scientific advisory committee. In order to avoid conflicts of interest

and to ensure access to qualified reviewers, the university may utilize reviewers not only from California but also from outside the state. When serving on peer review panels, individuals who have submitted grant applications for funding by this program shall be governed by conflict-of-interest provisions consistent with the National Institutes of Health Manual, Chapter 4510 (item h).

424.60. Research projects funded under this article may include, but are not limited to:

(a) Individual investigator-generated grants. These grants may be awarded to an institution on behalf of a principal investigator for a discrete project related to the investigator's interests and competence.

(b) New investigator grants. These grants may be awarded to an institution to support the work of promising individuals in the initial stages of their research careers.

(c) Center grants. These grants may be awarded to institutions on behalf of a principal investigator and a group of collaborating investigators providing support for long-term multidisciplinary programs of research and development.

(d) Conference grants. These grants may be awarded for funding of conferences in California to coordinate, exchange, and disseminate information related to specific research efforts. These grants may fund honoraria and travel expenses for invited participants from outside California.

424.70. It is the intent of the Legislature that the university, as lead agency, do all of the following:

(a) Provide overall direction and coordination of the program.

(b) Provide staff assistance to the advisory committee and review panels.

(c) Provide for periodic program evaluation, to assure that work funded is consistent with program goals.

(d) Maintain a system of financial reporting and accountability.

(e) Transmit programmatic as well as financial reports to the state, including an annual report on grants made, grants in progress, program accomplishments, and future program directions.

(f) Provide for the systematic dissemination of research results to the public and the health care community, and to provide for a mechanism to disseminate the most current research findings in the areas of smoking cessation and the prevention of tobacco use in order that these findings may be applied to the implementation of the Health Education Account.

(g) Develop policies and procedures to facilitate the translation of research results into commercial applications wherever appropriate.

(h) Undertake an outreach program to inform interested parties of the availability of grants for public policy research in the area of tobacco control.

424.80. It is the intent of the Legislature that projects funded under this article be reimbursed for actual costs, including direct costs and indirect costs incurred by a research institution consistent

with federal guidelines. Indirect cost rates shall not exceed those allowable by the federal government for federally sponsored research. With respect to those institutions that have not negotiated a federal indirect cost reimbursement rate, the university will request information to verify the indirect cost rates.

424.90. It is the intent of the Legislature that no more than 5 percent of the Research Account be used for the purposes of the administration of this article.

424.95. No provision of this article shall apply to the University of California unless the regents of the university, by resolution, make that provision so applicable.

424.97. This article shall become inoperative on July 1, 1996, and, as of January 1, 1997, is repealed, unless a later enacted statute, which becomes effective on or before January 1, 1997, deletes or extends the dates on which it becomes inoperative and is repealed.

SEC. 7. Section 1189.101 of the Health and Safety Code is amended to read:

1189.101. (a) The State Department of Health Services shall select primary care clinics that are licensed under paragraph (1) or (2) of subdivision (a) of Section 1204, or are exempt from licensure under subdivision (c) of Section 1206, to be reimbursed for delivering medical services, including preventative health care, and smoking prevention and cessation health education, to program beneficiaries. In selecting primary care clinics for reimbursement, the department shall give priority to clinics that provide services in a medically underserved area or to a medically underserved population as determined by the department.

(b) As a part of the award process for funding pursuant to this part, the department shall take into account the availability of primary care services in the various geographic areas of the state. The department shall determine which areas within the state have populations which have clear and compelling difficulty in obtaining access to primary care. The department shall consider proposals from new and existing eligible providers to extend clinic services to these populations. The department shall give equal consideration to all applicants, regardless of whether or not they have previously been funded for this program by the department.

(c) Each primary care clinic applying for funds pursuant to this part shall demonstrate that the funds shall be used to expand medical services, including preventative health care, and smoking prevention and cessation health education, for program beneficiaries based on the primary care clinic's projected increase in outpatient visits as compared to the outpatient visits provided in the 1988 calendar year.

(d) (1) For purposes of this part, an outpatient visit shall include, diagnosis and medical treatment services, including the associated pharmacy, X-ray, and laboratory services, and prevention health and case management services that are needed as a result of the outpatient visit. For a new patient, an outpatient visit shall also

include a health assessment encompassing an assessment of smoking behavior and the patient's need for appropriate health education specific to related tobacco use and exposure.

(2) "Case management" includes, for this purpose, the management of all physician services, both primary and specialty, and arrangements for hospitalization, postdischarge care, and followup care.

(e) (1) Payment shall be on a per visit basis at a rate that is determined by the department to be appropriate for an outpatient visit as defined in this section, not to exceed sixty-five dollars (\$65) per outpatient visit.

In developing a statewide uniform rate for an outpatient visit as defined in this part, the department shall consider existing rates of payments for comparable outpatient visits. The department shall review the outpatient visit rate on an annual basis.

(2) The department may also pay for case management services, and may establish a separate, uniform statewide rate for these services which shall be paid in addition to the outpatient visit rate. The rate for case management shall not exceed 5 percent of the rate for an outpatient visit. If, upon establishment of the outpatient visit rate, the department determines that the rate of payment for case management is not adequate to cover the cost of the service, the department may increase the rate for case management, but the rate shall not exceed 10 percent of the outpatient visit rate.

In developing the separate, uniform statewide rate for case management, the department shall take into account rates paid to providers for case management services under any other program funded in whole or in part by the state or federal government. The rates shall be published in accordance with subdivision (e). The department shall review the case management rate on an annual basis.

(3) A primary care clinic may, at its option, and with department approval, provide and be paid for both outpatient visits and case management services.

(f) Not later than January 15 of each year, the department shall adopt and provide each clinic with a schedule for programs under this part, including the date for notification of availability of funds, the deadline for the submission of a completed application, and an anticipated contract award date for successful applicants.

(g) In administering the program created pursuant to this part, the department shall utilize the Medi-Cal program statutes and regulations pertaining to program participation standards, medical and administrative recordkeeping, the ability of the department to monitor and audit clinic records pertaining to program services rendered to program beneficiaries and take recoupments or recovery actions consistent with monitoring and audit findings, and the provider's appeal rights. Each primary care clinic applying for program participation shall certify that it will abide by these statutes and regulations and other program requirements set forth in this

part.

SEC. 8. Section 1189.103 of the Health and Safety Code is amended to read:

1189.103. (a) Each eligible entity applying for funds under this part, as specified in subdivision (a) of Section 1189.101, shall demonstrate in its application that it is providing primary care services, to a medically underserved area or population. Any applicant who has applied for and received a federal or state designation for serving a medically underserved area or population shall be deemed to meet the requirements of subdivision (a) of Section 1189.101.

(b) Each applicant shall also demonstrate to the satisfaction of the department that the proposed services supplement, and do not supplant, those primary care services to program beneficiaries that are funded by any county, state, or federal program.

(c) Each applicant shall demonstrate that it is an active Medi-Cal provider by having a Medi-Cal provider number and diligently billing the Medi-Cal program for services rendered to Medi-Cal eligible patients during the past three months. This subdivision shall not apply to clinics that are not currently Medi-Cal providers, and were funded participants pursuant to this part during the 1993-94 fiscal year.

(d) Each application shall be evaluated by the state department prior to funding to determine all of the following:

(1) The number of program beneficiaries who are in the service area of the applicant, and the number of visits, the scope of primary care services, and the proposed total budget for outpatient visits provided to beneficiaries under this part. The applicant shall provide its most recently audited financial statement to verify budget information.

(2) The applicant's ability to deliver basic primary care to program beneficiaries.

(3) A description of the applicant's operational quality assurance program.

(4) The applicant's use of protocols for the most common diseases in the population served under this part.

SEC. 9. Section 1189.105 of the Health and Safety Code is repealed.

SEC. 10. Section 1189.105 is added to the Health and Safety Code, to read:

1189.105. (a) The department shall utilize existing contractual claims processing services in order to promote efficiency and to maximize use of funds.

(b) The department shall certify which primary care clinics are selected to participate in the program for each specific fiscal year, and how much in program funds each selected primary care clinic will be allocated each fiscal year.

(c) The department shall make an advance payment for funds appropriated for services provided under this part to the selected

primary care clinics in an amount not to exceed 25 percent of a clinic's allocation for visits provided to program beneficiaries. These advance payments may only be made during the 1994-95 fiscal year.

(d) In the event the department's contractual claims processing service is not ready to accept and timely adjudicate program claims by August 15, 1994, the department shall reimburse clinic billings in excess of the advance payment until such time as the contractual claims processing mechanism is viable.

(e) The department shall pay claims from selected primary care clinics up to each clinic's annual allocation, adjusted for advance payments made under subdivision (c) and claims reimbursement made under subdivision (d). Once a clinic has exhausted its annual allocation, the state shall stop paying its program claims.

(f) The department may adjust any selected primary care clinic's allocation to take into account:

(1) An increase in program funds appropriated for the fiscal year.

(2) A decrease in program funds appropriated for the fiscal year.

(3) A clinic's projected inability to fully spend its allocation within the fiscal year.

(4) Surplus funds reallocated from other selected primary care clinics.

(g) The department shall notify all affected primary care clinics in writing prior to adjusting selected primary care clinics' allocations.

(h) Cessation of program payments under subdivision (e) or adjustment of selected primary care clinic's allocations under subdivision (f) shall not be subject to the Medi-Cal appeals process referenced in subdivision (g) of Section 1189.101.

SEC. 11. Section 1189.107 is added to the Health and Safety Code, to read:

1189.107. Final payment adjustments reflecting advance payments pursuant to this part shall be made pursuant to a plan of financial adjustment that is approved by the state department and submitted to the Controller.

SEC. 12. Section 1189.109 of the Health and Safety Code is amended to read:

1189.109. (a) For any condition detected as part of a child health and disability prevention screen for any child eligible for services under Section 24165.3, if the child was screened by the clinic or upon referral by a child health and disability prevention program provider, unless the child is eligible to receive care with no share of cost under the Medi-Cal program, is covered under another publicly funded program, or the services are payable under private coverage, a clinic shall, as a condition of receiving funds under this article, do all of the following:

(1) Insofar as the clinic directly provides these services for other patients, provide medically necessary followup treatment, including prescription drugs.

(2) Insofar as the clinic does not provide treatment for the condition, arrange for the treatment to be provided.

(b) (1) If any child requires treatment the clinic does not provide, the clinic shall arrange for the treatment to be provided, and the name of that provider shall be noted in the patient's medical record.

(2) The clinic shall contact the provider or the patient or his or her guardian, or both, within 30 days after the arrangement for the provision of treatment is made, and shall determine if the provider has provided appropriate care, and shall note the results in the patient's medical record.

(3) If the clinic is not able to determine, within 30 days after the arrangement for the provision of treatment is made, whether the needed treatment was provided, the clinic shall provide written notice to the county child health and disability prevention program director, and shall also provide a copy to the state director of the program.

(c) (1) For the 1994-95 and 1995-96 fiscal years, inclusive, the state department may establish a reimbursement program for referral case management services required pursuant to subdivision (b), provided to a child pursuant to subdivision (a).

(2) The state department may utilize funds appropriated for the purposes of this part for reimbursements under paragraph (1).

(3) (A) The state department shall evaluate the effectiveness of the referral case management program, including the extent to which children actually receive appropriate treatment for conditions detected as part of the Child Health and Disability Prevention Program examination.

(B) The state department shall report the evaluation required by subparagraph (A) to the health policy committee of each house of the Legislature no later than April 1 of each year.

SEC. 13. Section 1189.113 of the Health and Safety Code is amended to read:

1189.113. This part shall remain operative only until July 1, 1996, and shall remain in effect only until January 1, 1997, and as of that date is repealed, unless a later enacted statute, which is effective on or before January 1, 1997, deletes or extends that date.

SEC. 14. Section 24162 of the Health and Safety Code is amended to read:

24162. (a) There is hereby created the Tobacco Education and Research Oversight Committee in state government which shall advise the State Department of Health Services and the State Department of Education with respect to policy development, integration, and evaluation of tobacco education programs funded under this chapter, and for development of a master plan for the future implementation of tobacco education programs.

(b) The Tobacco Education Oversight Committee shall be composed of 13 members to be appointed as follows:

(1) Two members representing volunteer health organizations dedicated to the reduction of tobacco use appointed by the Speaker of the Assembly.

(2) One member representing an organization that represents health care employees appointed by the Senate Rules Committee.

(3) One member of a professional education association, such as an association of teachers, appointed by the Senate Rules Committee.

(4) One member of a university facility with expertise in programs intended to reduce tobacco use appointed by the Governor.

(5) Two representatives of a target population group appointed by the Governor.

(6) One representative of the State Department of Health Services appointed by the Governor.

(7) One representative of the State Department of Education appointed by the Superintendent of Public Instruction.

(8) One member representing the interests of the general public appointed by the Governor.

(9) One representative of local health departments appointed by the Governor.

(10) One member representing a volunteer health organization dedicated to the reduction of tobacco associated injury appointed by the Governor.

(11) One member from the Tobacco Related Disease Research Program appointed by the Governor.

(c) Members shall serve for a term of two years, renewable at the option of the appointing authority. The initial appointments of members shall be for two or three years, to be drawn by random lot at the first meeting. The committee shall be staffed by the State Department of Health Services' coordinator of the program created pursuant to Section 24164.

(d) The committee shall meet as often as it deems necessary, but shall meet not less than four times per year.

(e) The members of the committee shall serve without compensation, but shall be reimbursed for necessary travel expenses incurred in the performance of the duties of the committee.

SEC. 15. Section 24163 of the Health and Safety Code is amended to read:

24163. The committee shall be advisory to the State Department of Health Services, the University of California, and State Department of Education for the following purposes:

(a) Evaluation of research, school- and community-based programs funded under this chapter as necessary in order to assess the overall effectiveness of efforts made by the programs to reduce the use of tobacco products. In order to evaluate tobacco education, research, and cessation programs, the committee shall seek the cooperation and assistance of the State Department of Health Services, the State Department of Education, county offices of education, local lead agencies, administrative representatives, target populations, school officials, and researchers. A principal measurement of effectiveness shall be reduction of smoking rates

among a given target population.

(b) Facilitation of programs directed at reducing and eliminating tobacco use that are operated jointly by more than one agency or entity. The committee shall propose strategies for the coordination of proposed programs administered by the State Department of Health Services, the University of California, and the State Department of Education in order to avoid the duplication of services and to maximize the public benefit of the programs.

(c) Make recommendations to the State Department of Health Services, the University of California, and the State Department of Education regarding the most appropriate criteria for the selection of, standards of the operation of, and the types of programs to be funded under this chapter.

(d) Reporting to the Legislature on or before January 1 of each year on the number and amount of tobacco education programs funded by the Health Education Account, created by Section 30122 of the Revenue and Taxation Code, the amount of money in the account, any moneys previously appropriated to the State Department of Health Services, the University of California, and the State Department of Education but unspent by the departments, a description and assessment of all programs funded under this chapter, and recommendations for any necessary policy changes or improvements for tobacco education programs.

(e) Ensuring that the most current research findings regarding tobacco use prevention are applied in designing the tobacco education programs administered by the State Department of Health Services and the State Department of Education. The State Department of Health Services and the State Department of Education shall apply the most current findings and recommendations of research including research funded by the Research Account of the Cigarette and Tobacco Products Surtax Fund created by Section 30122 of the Revenue and Taxation Code.

(f) Based on the results of programs supported by this chapter and any other proven methodologies available to the committee, produce a comprehensive master plan for implementing tobacco education programs throughout this state for the prevention and cessation of tobacco use. The master plan shall include implementation strategies for each target population specified in Section 24161.5 for programs throughout this state. The Tobacco Education and Research Oversight Committee shall submit the master plan to the Legislature on or before January 1, 1991, and shall be updated every two years thereafter until a progress report is completed on January 15, 2000. The master plan and its revisions shall include recommendations on administrative arrangements, funding priorities, integration and coordination of approaches by the State Department of Health Services, the University of California, and the State Department of Education and their support systems, as well as progress reports relating to each target population. The master plan shall establish a goal of achieving a 75-percent reduction in tobacco

consumption in California by the year 1999.

SEC. 16. Section 24164 of the Health and Safety Code is amended to read:

24164. (a) To prevent tobacco-related diseases and diminish tobacco use, the State Department of Health Services shall establish within the state department a program on tobacco use and health to reduce tobacco use in California by conducting health education interventions and behavior change programs at the state level, in the community, and other nonschool settings.

(b) The state department shall conduct statewide surveillance of tobacco-related behaviors, knowledge, and attitudes and evaluate the state department's local and state tobacco control programs under this chapter. At a minimum, these evaluation activities shall utilize scientifically appropriate methods for monitoring the annual progress of the program in reducing the adult smoking prevalence from the 1993 benchmark rate of 20 percent and reducing cigarette consumption from the 1993 per capita benchmark rate of 4.84 packs per quarter. These surveillance and evaluation activities may include, but need not be limited to, the following:

(1) Be based on sound evaluation principles and include, to the extent feasible, elements of controlled experimental methods.

(2) Monitor the overall statewide effect of health education efforts on smoking and tobacco use, and, to the extent feasible, the resulting effects on health.

(3) Monitor the effect of the programs on individual target populations identified by this chapter or designated by the state department as meriting special attention.

(4) Provide an evaluation of the comparative effectiveness of individual program designs which shall be used in funding decisions and program modifications.

(5) Incorporate other aspects into the evaluation which have been identified by the state department in consultation with state and local advisory groups, local lead agencies, and other interested parties.

(6) Funds permitting, utilize a sample size that is adequate to produce county, regional, and ethnic specific estimates.

(c) The state department shall produce or contract for, and update biennially, a description of programs determined to be effective in reducing smoking and tobacco use, and the identification of portions of target populations that need information regarding the hazards of tobacco use. The state department, in consultation with the State Department of Education, shall conduct, or contract for an evaluation of the effectiveness of the tobacco use prevention and education program as implemented in the public schools that receive funding for tobacco use prevention education pursuant to Sections 24167, 24168, 24168.1, and 24168.5. The purpose of the evaluation shall be to direct the most efficient allocation of resources appropriated under this chapter to accomplish the maximum prevention and reduction of tobacco use. The comprehensive evaluation shall be

designed to measure the extent to which programs funded pursuant to this chapter promote the goals identified in this chapter and in Proposition 99 of the November 1988 general election. All information resulting from the evaluation shall be made available to the State Department of Education for purposes of improving its ability to implement and oversee the provision of effective tobacco use prevention education programs. The evaluator shall:

(1) Assess the effectiveness of tobacco use prevention education programs designed to prevent and reduce tobacco use among students. In support of this primary goal, the evaluation shall:

(A) Report findings on the effectiveness of programs and strategies currently in use in California schools that prevent and reduce tobacco use.

(B) Select a research strategy that will identify formal and informal factors that might account for differences in tobacco use by students, including, but not limited to, formal education prevention strategies.

(C) Incorporate in the evaluation quantitative as well as qualitative data. The data shall include, but are not limited to:

(i) Student data, including attitudes, knowledge, and behavior based upon a statistically valid random sample of school districts and students.

(ii) Curriculum data, including diversity of curricula, evidence of appropriateness to grade level, gender, and ethnicity, and the extent of the inclusion of prevention approaches identified in research literature.

(iii) School data, including intensity of emphasis on tobacco use prevention and evidence of counseling or treatment referral systems.

(iv) Community data, including the existence of parent networks and the participation of community service organizations including local lead agencies, in prevention.

(2) Develop and test a regular tobacco use prevention and education information system for use by the State Department of Education, using the resulting information to establish the extent of implementation of tobacco use prevention education programs statewide and the degree of student exposure to these programs at selected grade levels.

(3) Ensure provision of a fourth administration of a statewide, biennial survey of attitudes toward tobacco and prevalence of tobacco use among public school students. To the extent possible, existing survey data shall be utilized.

(4) Provide recommendations to the Legislature and the State Department of Education on tobacco-use-prevention education program changes.

(5) Assist the State Department of Education in identifying and developing instructional materials and curricula in school-based programs, designed to enhance the prevention of and encouraging the cessation of the continuing use of, tobacco products. The

materials and curricula shall address the specific needs of persons in grades 4 to 12, inclusive, and in adult education programs.

(d) School districts shall agree, as a condition of receiving money pursuant to this chapter, to participate in the evaluation if chosen by the evaluator.

(e) (1) The State Department of Health Services shall contract with one or more qualified agencies for production and implementation of an ongoing public awareness of tobacco-related diseases by developing an information campaign using a variety of media approaches. The department shall issue a request for proposals biennially. Any media campaign funded with this part shall stress the importance of both preventing the initiation of tobacco use and quitting smoking and shall be based on professional market research and surveys necessary to determine the most effective method of diminishing tobacco use among specified target populations. Initial media efforts shall be directed to specific target populations. The contractors selected shall be provided with all available survey information resulting from ongoing programs funded under this chapter. Priority shall be given to minor children, ages 6 to 14, inclusive. The medium used shall be determined to be the most effective at reaching this targeted age group. With respect to the broadcast media, the message shall be aired at times expected to reach the priority age group. With respect to the print media, publications to be used shall be those which appeal to the priority age group.

(2) No media campaign funded pursuant to this chapter shall feature in any manner the image or voice of any elected public official or candidate for elected office, or directly represent the views of any elected public official or candidate for elected office.

(f) The department shall provide or contract for training, consultation, support, and continuing education to health professionals, and others interested in developing programs and services directed at preventing tobacco use and promoting smoking cessation, utilizing, when available and determined appropriate by the state department, the expertise of universities in this state and schools of public health. The training, consultation, support, and continuing education shall include advice and support in creating a smoke-free environment.

(g) The department shall conduct an awards program to acknowledge the outstanding achievements of those communities, organizations, and groups that have fostered movement toward a smoke-free society or have reduced the consumption of tobacco.

(h) The department shall issue guidelines for local plans for education against tobacco use. The guidelines shall require local public health departments to provide services directed at preventing tobacco use and promoting smoking cessation to the target populations enumerated in Section 24161.5 and to persons under 19 years of age who no longer attend school and to youth attending school who are not served through State Department of Education

funded programs. The guidelines shall require for each target population to be served a description of the services to be provided, an estimate of the number to be served, an estimate of the success rate, and a method to determine to what extent goals have been achieved. Beginning with the 1990–91 fiscal year, and for each fiscal year thereafter, the guidelines shall require local lead agencies to describe how local funding decisions will take into account evaluations of program effectiveness and efficiency. The guidelines shall require the submission of a budget and information on staffing configurations.

(i) By December 31, 1989, the department shall issue guidelines for fiscal year 1989–90 and by July 1, 1990, the department shall issue guidelines to local lead agencies on how to prepare a local plan for a comprehensive community intervention program against tobacco use.

(j) The department shall provide technical assistance to local lead agencies for the development of plans required by Section 24165.5 so that the local lead agencies are able to comply with the schedule for the submission of plans specified in Section 24165.5. The technical assistance shall include, but not be limited to, the following:

(1) Developing and disseminating preventive health education program options for local communities.

(2) Providing training, consultation, and technical assistance to local health departments, local advisory committees, and service providers.

(k) The department shall receive and approve local plans submitted by local lead agencies and provide technical assistance and guidance as necessary to ensure the compliance of the local lead agencies with this chapter. Every effort shall be made to approve or provide a list of necessary amendments to a local plan within 30 days of receipt of the local plan. The state department may authorize a local lead agency to begin implementation of its local plan on a provisional basis, with final approval of the local plan contingent on satisfying conditions specified by the state department.

(l) The department shall work in collaboration with the public and private sectors in implementing the activities required of the state department and provide access upon request to local plans, program statistics, and other readily available information.

(m) The department shall provide staff, assistance, and support needed by the committee.

(n) In consultation with the committee, the department shall develop a comprehensive master plan for implementing tobacco education programs throughout the state for the prevention and cessation of tobacco use.

(o) The department shall consult regularly with the University of California regarding trends in the frequency and the cost of treating tobacco-related diseases and the success of research efforts to reduce tobacco use and limit its adverse health effects.

(p) The department shall establish, in consultation with the State

Department of Education and county offices of education, a data collection and data management program to study effective tobacco use interventions. Under this program the department may contract for studies and evaluations in school-based and community-based programs. The department shall consult with the State Department of Education regarding the collection and evaluation of program data.

(1) The department shall require, by contract, that local lead agencies use a uniform management data and information system which will permit comparisons of workload, unit costs, and outcome measurements on a statewide basis. The department shall specify data reporting requirements for local lead agencies and their subcontractors.

(2) The department shall approve local lead agency and grantee computer software and hardware in order to ensure systemwide compatibility and capacity to expand. Departmental guidelines for local plans shall require local lead agencies to set forth their hardware and software plans and needs.

(3) The department may contract for the development or operation of a computerized management information system.

(4) The department shall consult the State Department of Education regarding computer software and hardware systems for school-based programs.

SEC. 17. Section 24167 of the Health and Safety Code is amended to read:

24167. The State Department of Education shall provide the leadership for the successful implementation of this chapter in programs administered by local public and private schools, school districts, and county offices of education. The State Department of Education shall do all of the following:

(a) Provide a planning and technical assistance program to carry out its responsibilities under this chapter.

(b) Provide guidelines for schools, school districts, and school district consortia to follow in the preparation of plans for implementation of antitobacco use programs for schoolage populations. The guidelines shall:

(1) Require the applicant agency to select one or more model program designs and shall permit the applicant to modify the model program designs to take special local needs and conditions into account.

(2) Require the applicant agency to prepare for each target population to be served a description of the service to be provided, an estimate of the number to be served, an estimate of the success rate and a method to determine to what extent goals have been achieved.

(3) Require plan submissions to include a staffing configuration and a budget setting forth use and distribution of funds in a clear and detailed manner.

(c) Prepare model program designs and information for local

schools, local school districts, consortia, and county offices of education to follow in establishing direct service programs to targeted populations. Model program designs shall, to the extent feasible, be based on studies and evaluations that determine which service delivery systems are effective in reducing tobacco use and are cost-effective. The State Department of Education shall consult with the State Department of Health Services, and school districts with existing antitobacco programs in the preparation of model program designs and information.

(d) Provide technical assistance for local schools, local school districts, and county offices of education regarding the prevention and cessation of tobacco use. In fulfilling its technical assistance responsibilities, the State Department of Education may establish a center for tobacco use prevention which shall identify, maintain, and develop instructional materials and curricula encouraging the prevention or cessation of tobacco use. The State Department of Education shall consult with the State Department of Health Services and others with expertise in antitobacco materials or curricula in the preparation of these materials and curricula.

(e) Monitor the implementation of programs which it has approved under this chapter to ensure successful implementation.

(f) Prepare guidelines within 180 days of the effective date of this chapter for a school-based program of outreach, education, intervention, counseling, peer counseling, and other activities to reduce and prevent smoking among schoolage youth.

(g) Assist county offices of education to employ a tobacco use prevention coordinator to assist local schools and local public and community agencies in preventing tobacco use by pupils.

(h) Train the tobacco-use-prevention coordinators of county offices of education so that they are:

(1) Familiar with relevant research regarding the effectiveness of various kinds of antitobacco use programs.

(2) Familiar with department guidelines and requirements for submission, review, and approval of school-based plans.

(3) Able to provide effective technical assistance to schools and school districts.

(i) Establish a tobacco-use-prevention innovation program effort directed at specific pupil populations.

(j) Establish a competitive grants program to develop innovative programs promoting the avoidance, abatement, and cessation of tobacco use among pupils.

(k) Establish a tobacco-free school recognition awards program.

(l) As a condition of receiving funds pursuant to this chapter, the State Department of Education, county offices of education, and local school districts shall ensure that they coordinate their efforts toward smoking prevention and cessation with the lead local agency in the community where the local school district is located.

(m) (1) Develop, in coordination with the county offices of education, a formula which allocates funds for school-based,

antitobacco education programs to school districts and county offices of education for all students in grades 4 to 8, inclusive, on the basis of the average daily attendance (ADA) of pupils. School districts shall provide tobacco-use-prevention instruction for students, grades 4 to 8, inclusive, that address the following essential topics:

(A) Immediate and long-term undesirable physiologic, cosmetic, and social consequences of tobacco use.

(B) Reasons that adolescents say they smoke or use tobacco.

(C) Peer norms and social influences that promote tobacco use.

(D) Refusal skills for resisting social influences that promote tobacco use.

(2) Develop a competitive grants program administered by the State Department of Education directed at students in grades 9 to 12, inclusive. The purpose of the grant program shall be to conduct tobacco-use-prevention and cessation activities targeted to high-risk students and groups in order to reduce the number of persons beginning to use tobacco, or continuing to use tobacco. The State Department of Education shall consult with local lead agencies, the Tobacco Education and Research Oversight Committee, and representatives from nonprofit groups dedicated to the reduction of tobacco-associated disease in making grant award determinations. Grant award amounts shall be determined by available funds. The State Department of Education shall give priority to programs, including, but not limited to, the following:

(A) Target current smokers and students most at risk for beginning to use tobacco.

(B) Offer or refer students to cessation classes for current smokers.

(C) Utilize existing antismoking resources, including local antismoking efforts by local lead agencies and competitive grant recipients.

(n) (1) Allocate funds for administration to county offices of education for implementation of Tobacco Use Prevention Programs. The funds shall be allocated according to the following schedule based on average daily attendance in the prior year credited to all elementary, high, and unified school districts, and to all county superintendents of schools within the county as certified by the Superintendent of Public Instruction:

(A) For counties with over 400,000 average daily attendance, thirty cents (\$0.30) per average daily attendance.

(B) For counties with more than 100,000 and less than 400,000 average daily attendance, sixty-five cents (\$0.65) per average daily attendance.

(C) For counties with more than 50,000 and less than 100,000 average daily attendance, ninety cents (\$0.90) per average daily attendance.

(D) For counties with more than 25,000 and less than 50,000 average daily attendance, one dollar (\$1) per average daily attendance.

(E) For counties with less than 25,000 average daily attendance, twenty-five thousand dollars (\$25,000).

(2) In the event that funds appropriated for this purpose are insufficient, the Superintendent of Public Instruction shall prorate available funds among participating county offices of education.

(o) Allocate funds appropriated by the act adding this subdivision for local assistance to school districts and county offices of education based on average daily attendance reported in the second principal apportionment in the prior fiscal year. Those school districts and county offices of education that receive one hundred thousand dollars (\$100,000) or more of local assistance pursuant to this part shall target 30 percent of those funds for allocation to schools that enroll a disproportionate share of students at risk for tobacco use.

(p) (1) Provide that all school districts and county offices of education that receive funding under subdivision (o) make reasonable progress toward providing a tobacco-free environment in school facilities for students and employees.

(2) All school districts and county offices of education that receive funding pursuant to paragraph (1) shall adopt and enforce a tobacco-free campus policy no later than July 1, 1995. The policy shall prohibit the use of tobacco products, any time, in district-owned or leased buildings, on district property and in district vehicles. Information about the policy and enforcement procedures shall be communicated clearly to school personnel, parents, students, and the larger community. Signs stating "Tobacco use is prohibited" shall be prominently displayed at all entrances to school property. Information about smoking cessation support programs shall be made available and encouraged for students and staff. Any school district or county office of education that does not have a tobacco-free district policy implemented by July 1, 1995, shall not be eligible to apply for funds from the Cigarette and Tobacco Products Surtax Fund in the 1995-96 fiscal year and until the tobacco-free policy is implemented. Funds that are withheld from school districts that fail to comply with the tobacco-free policy shall be available for allocation to school districts implementing a tobacco-use-prevention education program, pursuant to subdivision (m).

SEC. 18. Section 24168.6 of the Health and Safety Code is amended to read:

24168.6. (a) The State Department of Education shall develop a common reporting format for districts receiving tobacco-use-prevention funds under this chapter.

(b) The format required by subdivision (a) shall be designed to provide annual data on all of the following:

(1) Tobacco-use-prevention education program expenditures.

(2) Tobacco-use-prevention education program instructional and other services to targeted and general student populations.

(3) Tobacco-use-prevention education program staff development and parent training.

(4) Other information determined to be appropriate by the state

department.

(c) The information provided by the format required by subdivision (a) shall be in a quantitative format that describes the number of individuals who are served and the number of individuals receiving each type of service.

(d) In addition to the requirements of subdivision (c), the information to be provided by the format required by subdivision (a) shall include, at a minimum, all of the following:

(1) (A) The number of students receiving tobacco-use-prevention instruction and the type of curriculum used.

(B) The format required by subdivision (a) shall show, by category, those students listed for the purpose of subparagraph (A), in each target group listed in Section 24161.5.

(2) Other programmatic activities directly targeted to students, and the number of students participating in each.

(3) The types of staff development or other tobacco-use-prevention training and, by staff classification, the number of staff members receiving such training.

(4) The number of parents receiving training and the types of training provided.

(5) The types of programs geared toward community involvement and the number of people served by each type.

(6) The types of services provided to target populations which are in addition to services provided to other students.

(7) The number and size of schools which are tobacco-free.

(8) The ways in which money appropriated for the purpose of this chapter has been spent, including the following categories: salaries, including, but limited to, personnel, and substitute teacher costs; benefits; travel; consultant services; operating expenses, including, but not limited to, curriculum and instructional materials, supplies, other; capital outlay; and indirect costs.

(e) (1) Each county office of education shall provide to the State Department of Education an annual report on district expenditures and services within its respective county pursuant to the common reporting format developed by the State Department of Education.

(2) The county shall provide an annual report of the information required in paragraph (8) of subdivision (d).

(f) (1) For the 1991-92 fiscal year and fiscal years thereafter, the State Department of Education shall report to the Legislature on local district expenditures and services statewide.

(2) The state department shall make the report required by paragraph (1) on or before January 1 of each year.

SEC. 19. Section 24168.7 of the Health and Safety Code is amended to read:

24168.7. (a) The State Department of Education shall monitor and ensure implementation of district and county offices of education tobacco-free policies and tobacco-use prevention education programs in districts receiving funding from the Cigarette and Tobacco Products Surtax Fund through procedures in the

Coordinated Compliance Review Manual provided to school districts by the Superintendent of Public Education.

(b) The state department shall develop and adopt yearly quantifiable targets for the reduction of tobacco use in those programs funded on a competitive grant basis for secondary school implementation.

SEC. 20. Section 24168.8 of the Health and Safety Code is amended to read:

24168.8. (a) Each school district receiving funds from the Cigarette and Tobacco Products Surtax Fund shall make all of the following services available to every pregnant minor and minor parent enrolled in the school district:

- (1) Referral to perinatal and related support services.
- (2) Outreach services and assessment of smoking status.
- (3) Individualized counseling and advocacy services.
- (4) Motivational messages.
- (5) Cessation services, if appropriate.
- (6) Incentives to maintain a healthy lifestyle.
- (7) Followup assessment.
- (8) Maintenance and relapse prevention services.

(b) Where appropriate, those services listed in subdivision (a) shall be integrated with existing programs for pregnant minors and minor parents.

(c) Each district plan submitted in application for funds under this chapter shall include a description of the availability of the services required by this section.

SEC. 21. Section 24169.8 of the Health and Safety Code is amended to read:

24169.8. This chapter shall remain operative only until July 1, 1996, and shall remain in effect only until January 1, 1997, and as of that date is repealed, unless a later enacted statute, which is effective on or before January 1, 1997, deletes or extends that date.

SEC. 22. Section 12696.05 of the Insurance Code is amended to read:

12696.05. The board may do all of the following:

(a) Determine eligibility criteria for the program. These criteria shall include the requirements set forth in Section 12698.

(b) Determine the eligibility of applicants.

(c) Determine when subscribers are covered and the extent and scope of coverage.

(d) Determine subscriber contribution amounts schedules. Subscriber contribution amounts shall be indexed to the federal poverty level and shall not exceed 2 percent of a subscriber's annual gross family income.

(e) Provide coverage through participating health plans or through coordination with other state programs, and contract for the processing of applications and the enrollment of subscribers. Any contract entered into pursuant to this part shall be exempt from any provision of law relating to competitive bidding, and shall be exempt

from the review or approval of any division of the Department of General Services. The board shall not be required to specify the amounts encumbered for each contract, but may allocate funds to each contract based on projected and actual subscriber enrollments in a total amount not to exceed the amount appropriated for the program.

(f) Authorize expenditures from the fund to pay program expenses which exceed subscriber contributions, and to administer the program as necessary.

(g) Develop a promotional component of the program to make Californians aware of the program and the opportunity that it presents.

(h) Issue rules and regulations as necessary to administer the program. Until January 1, 1997, any rules and regulations issued pursuant to this subdivision may be adopted as emergency regulations in accordance with the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code). The adoption of these regulations shall be deemed an emergency and necessary for the immediate preservation of the public peace, health, and safety, or general welfare. The regulations shall become effective immediately upon filing with the Secretary of State.

(i) Exercise all powers reasonably necessary to carry out the powers and responsibilities expressly granted or imposed by this part.

SEC. 23. Section 12698 of the Insurance Code is amended to read:

12698. To be eligible to participate in the program, a person shall meet all of the following requirements:

(a) Be a resident of the state for at least six continuous months prior to application.

(b) (1) Until the first day of the second month following the effective date of the amendment made to this subdivision in 1994, have a household income that does not exceed 250 percent of the official federal poverty level unless the board determines that the program funds are adequate to serve households above that level.

(2) Upon the first day of the second month following the effective date of the amendment made to this subdivision in 1994, have a household income that is above 200 percent of the official federal poverty level but does not exceed 250 percent of the official federal poverty level unless the board determines that the program funds are adequate to serve households above the 250 percent of the official federal poverty level.

(c) Pay an initial subscriber contribution of not more than fifty dollars (\$50), and agree to the payment of the complete subscriber contribution.

SEC. 24. Section 12699 of the Insurance Code is amended to read:

12699. (a) The Perinatal Insurance Fund is hereby created in the State Treasury.

(b) Amounts deposited in the fund shall only be used for the

purposes specified by this chapter.

(c) Notwithstanding Section 13340 of the Government Code, the fund is hereby continuously appropriated, without regard to fiscal years, to the board, for the purposes specified in this part.

SEC. 25. Section 12699.50 of the Insurance Code is amended to read:

12699.50. This part shall remain operative only until July 1, 1996, shall remain in effect only until January 1, 1997, and as of that date is repealed, unless a later enacted statute, which is effective on or before January 1, 1997, deletes or extends that date.

SEC. 26. Section 12733 of the Insurance Code is amended to read:

12733. Subscribers and their dependents who become eligible for Part A and Part B of Medicare, excluding those on Medicare solely because of end-stage renal disease, shall not be enrolled, or continue to be enrolled, in major risk medical coverage afforded by this part.

SEC. 27. Section 14148.5 of the Welfare and Institutions Code is amended to read:

14148.5. (a) State funded perinatal services shall be provided under the Medi-Cal program to pregnant women and state funded medical services to infants up to one year of age in families with incomes above 185 percent, but not more than 200 percent of the federal poverty level, in the same manner that these services are being provided to the Medi-Cal population, including eligibility requirements and integration of eligibility determinations and payment of claims, except as follows:

(1) The assets of the family shall not be considered in making the eligibility determination.

(2) The income deduction specified in subdivision (f) of Section 14148 shall not be applied.

(b) Services provided under this section shall not be subject to any share-of-cost requirements.

(c) (1) The department, in implementing the Medi-Cal program and public health programs, in coordination with the Major Risk Medical Insurance Programs Access for Infants and Mothers component shall provide for outreach activities in order to enhance participation and access to perinatal services. Notwithstanding Section 30122 of the Revenue and Taxation Code, funding for these outreach activities shall be made available from the funds appropriated for purposes of this section, and to the extent permissible, from funding received pursuant to Subchapter XIX (commencing with Section 1396) of Chapter 7 of Title 42 of the United States Code. Funding received pursuant to the federal provisions shall be used to expand perinatal outreach activities.

(2) Those outreach activities required by paragraph (1) shall be targeted toward both Medi-Cal and non-Medi-Cal eligible high risk or uninsured pregnant women and infants. Outreach activities may include, but not be limited to, all of the following:

(A) Education of the targeted women on the availability and importance of early prenatal care and referral to Medi-Cal and other

programs.

(B) Information provided through toll-free telephone numbers.

(C) Recruitment and retention of perinatal providers.

(d) The amendment made to paragraph (1) of subdivision (c) by Senate Bill 99 of the 1991-92 Regular Session constitutes an amendment to the Tobacco Tax and Health Protection Act of 1988.

(e) This section shall remain operative only until July 1, 1996, and shall remain in effect only until January 1, 1997, and as of that date is repealed, unless a later enacted statute, which is effective on or before January 1, 1997, deletes or extends that date.

SEC. 29. Section 14148.99 of the Welfare and Institutions Code is amended to read:

14148.99. This article shall remain operative only until July 1, 1996, shall remain in effect only until January 1, 1997, and as of that date is repealed, unless a later enacted statute, which is effective on or before January 1, 1997, deletes or extends that date.

SEC. 30. Section 16809.5 of the Welfare and Institutions Code is amended to read:

16809.5. (a) Funds appropriated for the purposes of this section shall be allocated on a monthly basis.

(b) Money allocated for the purposes of this section may be used to expand the scope of benefits, to fund special projects which alleviate problems of access to health and dental care under the County Medical Services Program and to compensate hospitals and other emergency health service providers for emergency treatment of out-of-county indigent patients and shall not be used to fund existing levels of service.

(c) Funds available from appropriations for the purposes of this chapter may be utilized to fund increased program costs due to caseload increases and provider rate increases.

(d) Unexpended funds allocated from the fiscal year 1990-91 appropriation for purposes of improving dental access may be utilized in fiscal year 1991-92 for the continuation and completion of projects developed to improve dental access.

(e) This section shall remain operative only until July 1, 1996, and shall remain in effect only until January 1, 1997, and as of that date is repealed, unless a later enacted statute, which is effective on or before January 1, 1997, deletes or extends that date.

SEC. 31. Section 16909 of the Welfare and Institutions Code is amended to read:

16909. (a) Any county which receives funds pursuant to this part shall deposit them in a special revenue fund or trust fund established solely for this purpose, in a hospital services account, a physician services account, and other county health services account, and any other account or subaccount the department may require, before transferring or expending them for any of the uses allowed in this part.

(b) Any county subject to the requirements of subdivision (a) shall deposit the funds in the special revenue fund or trust fund

before transferring the funds to the county emergency medical services fund, as provided in subdivision (c) of Section 16933 and Section 16951.

(c) (1) Interest on each fund, account, or subaccount shall accrue to the benefit of the fund, account, or subaccount, and shall be expended for the same purposes as the other funds in the account or subaccount.

(2) Interest or other increments resulting from funds transferred to the county for noncounty hospitals pursuant to paragraph (1) or (2) of subdivision (b) of Section 16946 shall be expended under paragraph (1) or (2) of subdivision (b) of Section 16946.

(d) For the period July 1, 1991, to June 30, 1996, inclusive, counties shall submit a report that displays cost and utilization data for each account in the trust fund established pursuant to this section, to the department on a semiannual, preliminary annual, and final annual basis, in a form prescribed by the department.

(e) Data required by subdivision (d) shall include, but not be limited to, all of the following:

(1) For the Hospital Services Account, the data shall include all of the following:

(A) Inpatient stay, including child health and disability prevention followup treatment, including the following information:

- (i) Facility name.
- (ii) Amount paid by the county.
- (iii) Number of discharges.
- (iv) Patient days.

(B) Outpatient visits, including child health and disability prevention followup treatment, including the following information:

- (i) Facility name.
- (ii) Amount paid by the county.
- (iii) Number of visits.

(C) Emergency room.

- (i) Facility name.
- (ii) Amount paid by the county.
- (iii) Number of visits.

(2) For the Physician Services Account, the data shall include all of the following:

(A) Emergency services, including the following information:

- (i) The number of providers.
- (ii) The number of visits.
- (iii) The amount paid by the county.

(B) Obstetrics, including the following information:

- (i) The number of providers.
- (ii) The number of visits.
- (iii) The amount paid by the county.

(C) Pediatrics, including the following information:

- (i) The number of providers.
- (ii) The number of visits.
- (iii) The amount paid by the county.

(D) Child health and disability prevention followup treatment, including the following information:

- (i) The number of providers.
- (ii) The number of visits.
- (iii) The amount paid by the county.

(3) For the other county health services account, the data shall include all of the following:

(A) For funds expended for hospital services, those data in paragraph (1) of subdivision (e).

(B) For funds expended for physician services, those data in paragraph (2) of subdivision (e).

(C) For funds expended for services other than those provided and billed for by a hospital or physician, the data shall include:

- (i) The number of providers by type of service.
- (ii) The number of visits or units, or both, by type of service.
- (iii) The amount paid by the county by type of service.

(D) Child health and disability prevention followup treatment, including the following information:

- (i) The number of providers.
- (ii) The number of visits.
- (iii) The amount paid by the county.

(f) The Director of Health Services shall withhold, in part or in whole, payment of moneys governed by Chapter 4 (commencing with Section 16930) and Chapter 5 (commencing with Section 16940) of this part to a county, until the reports specified in this section have been submitted to the department in the form and according to the procedures established by the department.

SEC. 32. Section 16918 of the Welfare and Institutions Code is amended to read:

16918. (a) Counties shall report information on indigent health care program demographic, expenditure, and utilization data, in a form which will provide a count of persons using services funded under this part, to the department, on a quarterly basis.

(b) Data required by subdivision (a) shall include all of the following information:

(1) For the Hospital Services Account, the Physician Services Account, and the Other County Health Services Account in the trust fund established pursuant to Section 16909, the period commencing July 1, 1989, to June 30, 1991, inclusive, the data shall include all of the following:

- (A) Date of birth.
- (B) Sex.
- (C) Residence ZIP Code.
- (D) Child Health and Disability Prevention Program followup.
- (E) Other potential third-party payer source.
- (F) Amount billed to the county.

(2) For the Physician Services Account and the Other County Health Services Account established pursuant to Section 16909, the following demographic data shall be reported on a minimum of 5

percent of patients eligible under this part, for the period commencing April 1, 1990, to June 30, 1991 ; for the Hospital Services Account in the fund, for the period commencing April 1, 1990, to June 30, 1991, the following demographic data shall be reported on a minimum of 5 percent of patients eligible under this part; for the period commencing July 1, 1990, to June 30, 1991, the level of data reported shall be on a per hospital basis as determined by the department:

- (A) Ethnicity.
- (B) Family size.
- (C) Family gross monthly income.
- (D) Family principal income source.

(3) For the Hospital Services Account, the data shall include all of the following:

- (A) Date of service or inpatient admission.
- (B) Type of service.
- (C) Number of inpatient days; and the number of outpatient and emergency room visits.
- (D) Diagnosis (inpatient only).

(4) For the Physician Services Account in the fund, the data shall include all of the following:

- (A) Date of service.
- (B) Type of service.
- (C) Service setting.
- (D) Physician specialty.

(5) For the Other County Health Services Account during the period commencing July 1, 1989, to June 30, 1996, inclusive, the data shall include all of the following:

- (A) Date of service or inpatient admission.
- (B) Type of service.
- (C) Number of units.
- (D) Type of units.

(c) (1) Physicians shall provide data under subdivision (b) for services provided in a hospital to the extent the information is available from the hospital.

(2) Physicians shall provide data under subdivision (b) for services performed in an office setting on 5 percent of patients for whom payment is received pursuant to Article 3.5 (commencing with Section 16951) of Chapter 5.

SEC. 33. Section 16930 of the Welfare and Institutions Code is amended to read:

16930. (a) (1) There is in the County Health Services Fund, created pursuant to Section 16803, the Rural Health Services Account.

(2) For purposes of this chapter, "account" means the account created by paragraph (1).

(b) All money appropriated for the purposes of this chapter shall be deposited in the account.

(c) The department shall administer moneys deposited in the

account on an accrual basis, and notwithstanding any other provision of law, except as provided in this chapter, those moneys shall not be transferred to any other fund or account except for purposes of investment, as provided in Article 4 (commencing with Section 16470) of Chapter 3 of Part 2 of Division 4 of Title 2 of the Government Code.

SEC. 34. Section 16931 of the Welfare and Institutions Code is amended to read:

16931. (a) Funds appropriated for the purposes of this chapter shall be used to enhance and maintain rural health services provided by counties, hospitals, physicians, and other providers of services to patients who cannot afford to pay for those services, and for whom payment will not be made through any private coverage or by any program funded in whole or in part by the federal government.

(b) The requirements of Sections 16804.1 and 16818 apply to services supported by funds appropriated for the purposes of this chapter.

(c) Except as specifically provided in this chapter, the authority of each county established pursuant to Section 16817 shall remain unaffected.

SEC. 35. Section 16934.5 of the Welfare and Institutions Code is amended to read:

16934.5. (a) For the 1990-91 fiscal year and subsequent fiscal years, each county may enter into a contract with the department in which the department agrees to assume the responsibility to pay for the cost of treatment service provided on or after July 1, 1990, to children pursuant to Section 16934. If a county contracting with the department pursuant to Section 16809 does not apply for or rescinds its application for funds under this chapter, the department may use all or part of that county's allocation, as calculated pursuant to paragraph (3), to pay for the costs of treatment services to children pursuant to Section 16934.

(1) Each county intending to contract with the department shall submit to the department a notice of intent to contract adopted by the board of supervisors no later than June 1, 1990. For each fiscal year thereafter a notice adopted by the board of supervisors shall be submitted no later than April 1 of the fiscal year preceding the fiscal year for which the agreement will be in effect, in accordance with procedures established by the department. As a condition of contracting with the department, the department may establish uniform standards, forms, and procedures for the processing and payment of claims for treatment services.

(2) (A) Each county contracting with the department pursuant to this subdivision for the 1991-92 fiscal year that has previously contracted with the department pursuant to this section shall agree that the department shall retain 10 percent of the allocation it would otherwise have received under this chapter. The department shall transfer amounts retained on a monthly basis to the CHDP Treatment Account established in subdivision (b).

(B) Any county that contracts with the department pursuant to this subdivision during the 1991–92 fiscal year that has not previously contracted with the department pursuant to this section shall agree that the department shall retain 20 percent of the allocation the county would otherwise have received under this chapter for that portion of the year for which it contracts under this section.

(3) In future fiscal years the percentage retained by the department may be adjusted to reflect actual payments, projected expenditures, funds appropriated by the Legislature for treatment services, and the overall status of the account established in subdivision (b).

(b) Beginning with the 1990–91 fiscal year, the department shall establish a separate Child Health and Disability Prevention Treatment Account. For purposes of this chapter “CHDP Treatment Account” means the account established pursuant to this subdivision.

(1) The following funds shall be deposited into the CHDP Treatment Account:

(A) Funds appropriated by the Legislature to fund the reinsurance account established in subdivision (b) of Section 16934.2 which are not expended or encumbered for that purpose.

(B) Any funds recouped from those counties electing to establish a 15 percent reserve pursuant to subdivision (a) of Section 16934.2.

(C) Funds retained by the department pursuant to subdivision (a).

(D) Interest earnings on funds.

(E) Any additional funds appropriated by the Legislature.

(2) Funds deposited in the CHDP Treatment Account shall be administered on an accrual basis and notwithstanding any other provision of law, except as provided in this chapter, shall not be transferred to any other fund or account except for purposes of investment as provided in Article 4 (commencing with Section 16470) of Chapter 3 of Part 2 of Division 4 of Title 2 of the Government Code.

(3) Moneys deposited into the account shall constitute a risk pool which shall be used for any or all of the following purposes:

(A) Payment for services provided pursuant to Section 16934 in counties which have contracted with the department pursuant to subdivision (a).

(B) State administrative costs, including any costs associated with a contract for processing claims.

(C) If the projected expenditure of funds from the CHDP Treatment Account for any fiscal year exceeds available revenues, the department may adjust payments for the remainder of the fiscal year to providers on a pro rata basis in order to ensure that expenditures do not exceed available revenues.

SEC. 36. Section 16935 of the Welfare and Institutions Code is amended to read:

16935. (a) A CMSP county electing to have the state administer its medically indigent adult program as authorized by Section 16809

may also elect to have the state administer its physician services account. Each CMSP county electing to have the state administer its physician services account shall do all of the following:

(1) Enter into a contract with the department to administer its county physician services account.

(2) Authorize the department to act on its behalf and to assume all responsibilities for the distribution and monitoring of funds in its physician services account pursuant to subdivision (c) of Section 16952.

(3) Agree to comply with uniform policies, procedures, and program standards, including, but not limited to, eligibility levels established mutually by the department and the participating counties.

(4) Transfer funds allocated to the county for purposes of the county physician services account, less any funds retained pursuant to subdivision (a) of Section 16934.5 to the department under such conditions as the department may require.

(b) The department may use funds retained or transferred to it by the county pursuant to this subdivision for purposes of administering the county's physician services account in accordance with Sections 16952 to 16958, inclusive.

(c) For the 1989-90 fiscal year, any county which intends to contract with the department for the administration of moneys allocated from the Physician Services Account in the fund pursuant to subdivision (c) of Section 16952 shall submit, to the department, a notice of intent to contract which has been adopted by the county board of supervisors, not later than November 15, 1989.

(d) For the 1990-91 fiscal year and subsequent fiscal years, any county which intends to contract with the department for the administration of moneys allocated from the Physician Services Account in the fund shall submit to the department a notice of intent to contract, which has been adopted by the county board of supervisors, not later than April 1 of the fiscal year preceding the fiscal year for which the contract will be in effect and in accordance with procedures established by the department.

SEC. 37. Section 16935.5 is added to the Welfare and Institutions Code, to read:

16935.5. The department may administer the distribution and monitoring of funds allocated from the Hospital Services Account pursuant to subdivision (b) of Section 16946 and from the Physician Services Account pursuant to subdivision (c) of Section 16952, less funds retained by the department for the administration of the children's treatment program pursuant to Section 16934, for any county contracting with the department pursuant to Section 16809 that does not apply for, or rescinds its application for, funds under this chapter. Allocations for a particular county shall generally be utilized for payments to eligible providers in that county.

SEC. 38. Section 16936 of the Welfare and Institutions Code is amended to read:

16936. (a) (1) Any county that requests funds under this chapter shall submit to the department, for approval by the department, an application for initial funding and a description of the proposed use and expenditure of the moneys, as a component of the county health services plan and budget submitted pursuant to Section 16800. The department shall review and approve this information for compliance with this part.

(2) Beginning in the 1990–91 fiscal year, any county which does not contract with the department pursuant to subdivision (a) of Section 16934.5 shall include in the application an estimate of the costs and funding arrangement for dental services.

(b) The department shall review each county's application and proposed use of funds for compliance with this chapter.

(c) The department shall make initial monthly payments upon approval of the county's request for funds containing assurances that the county will comply with this chapter and other applicable provisions of this part.

(d) Payments made beyond April 15, 1990, and February 1 of each subsequent fiscal year, shall be contingent upon the signing of an agreement between the county board of supervisors and the department.

SEC. 39. Section 16937 of the Welfare and Institutions Code is amended to read:

16937. (a) Services, associated costs, and sociodemographic characteristics of persons served by each county under Section 17000 and supported in whole or in part by funds appropriated for purposes of this chapter shall be incorporated into the information required pursuant to Section 16915.

(b) Not later than July 1, 1991, to the extent possible, each county shall incorporate the data required by Section 16915 in the reports specified in subdivision (a).

SEC. 40. Section 16938 of the Welfare and Institutions Code is amended to read:

16938. (a) Each county shall submit a report of expenditures and other information to the department according to the procedures established by the department.

(b) The department shall review the reports submitted pursuant to subdivision (a) and recoup unspent moneys and expenditures that are not in compliance with this chapter or the requirements established by the department.

SEC. 41. Section 16941.1 of the Welfare and Institutions Code is amended to read:

16941.1. For the 1991–92 fiscal year and each fiscal year thereafter, any county that elects to participate in the County Medical Services Program pursuant to paragraphs (1) and (2) of subdivision (b) of Section 16809 shall have the amounts allocated to that county pursuant to this chapter transferred as follows:

(a) Of the moneys allocated from the Hospital Services Account pursuant to Section 16943, seven-seventeenths of the transferable

amount shall be transferred to the Rural Health Services Account for hospital services governed by Section 16932. The remainder of this amount shall be transferred to the County Medical Services Program Account and shall be utilized for the purposes specified in Section 16809.5.

(b) Of the moneys allocated from the Physician Services Account pursuant to Section 16950, seven-seventeenths of the transferable amount shall be transferred to the Rural Health Services Account for physician services governed by Section 16933. The remainder of this amount shall be transferred to the County Medical Services Program Account and shall be utilized for the purposes specified in Section 16809.5.

(c) Of the moneys allocated from the Unallocated Account governed by Section 16960, seven-seventeenths of the transferable amount shall be transferred to the Rural Health Services Account for other health services governed by the provisions of Section 16933. The remainder of this amount shall be transferred to the County Medical Services Program Account and shall be utilized for the purposes specified in Section 16809.5.

(d) Funds transferred pursuant to this section shall be subject to all applicable statutes.

SEC. 42. Section 16942 of the Welfare and Institutions Code is amended to read:

16942. (a) It is the intent of the Legislature that funds appropriated for the purposes of this chapter be administered, to the extent possible, in the same manner and according to same conditions and requirements as funds accounted for pursuant to Part 4.6 (commencing with Section 16800.5). The requirements of Sections 16804.1 and 16818 apply to services supported by funds appropriated for the purposes of this chapter.

(b) Except as specifically provided in this chapter, the authority of each county established pursuant to Section 16817 shall remain unaffected.

(c) Services, associated costs, and socio-demographic characteristics of persons served by each county under Section 17000 and supported in whole or in part by funds appropriated pursuant to this chapter shall be incorporated into the information required pursuant to Section 16915.

SEC. 43. Section 16945 of the Welfare and Institutions Code is amended to read:

16945. (a) The department shall annually verify and transmit to each MISP county and each CMSP county the figures specified in subdivision (c), using data supplied by the office.

(b) (1) For purposes specified in subdivision (c), the office shall use data from the quarterly reports required by Section 443.32 of the Health and Safety Code.

(2) For the 1989-90 fiscal year computations, the office shall use the 1988 calendar year data, as adjusted by the office, existing on the statewide file on September 1, 1989.

(3) For the computations for fiscal years after the 1989-90 fiscal year, the office shall use the data from the quarterly reports for the calendar year preceding the computational fiscal year, as adjusted by the office, existing on the statewide file on April 15 immediately preceding the computational fiscal year.

(4) (A) Except as provided in subparagraphs (B), (C), and (D), the definitions, procedures, and data elements specified in Chapter 3 (commencing with Section 16920) shall be used in all computations required in subdivision (c).

(B) For the 1991-92 fiscal year, the following definitions shall be used in all computations required in subdivision (c):

(i) "Uncompensated care charges" means the sum of the charges related to patients falling within the charity-other category in the 1990 calendar year and 25 percent of the charges related to patients falling within the bad debts category in the first two quarters of the 1990 calendar year, as both categories of charges are reported quarterly to the office pursuant to Section 443.32 of the Health and Safety Code.

(ii) "Uncompensated care costs" means that amount calculated by applying an overall hospital cost-to-charge ratio, calculated by dividing gross operating expenses by gross inpatient and outpatient revenue, as reported quarterly to the office, to uncompensated care charges.

(C) For the 1992-93 fiscal year, the following definitions shall be used in all computations required in subdivision (c):

(i) "Uncompensated care charges" means the charges related to patients falling within charity-other, as reported quarterly to the office pursuant to Section 443.32 of the Health and Safety Code.

(ii) "Uncompensated care costs" means that amount calculated by applying an overall hospital cost-to-charge ratio, calculated by dividing gross operating expenses by gross inpatient and outpatient revenue, as reported quarterly to the office, to uncompensated care charges.

(D) For the 1993-94, 1994-95, and 1995-96 fiscal years, the following definitions shall be used in all computation required in subdivision (c):

(i) (I) For county hospitals and for all hospitals operating in counties with no county hospital, "uncompensated care charges" means the charges related to patients falling within charity-other, gross inpatient revenue-county indigent programs and gross outpatient revenue-county indigent programs, as reported quarterly to the office pursuant to Section 443.32 of the Health and Safety Code.

(II) For noncounty hospitals operating in a county with a county hospital, "uncompensated care charges" means the charges related to patients falling within charity-other and county indigent programs contractual adjustments, as reported quarterly to the office pursuant to Section 443.32 of the Health and Safety Code.

(ii) "Uncompensated care costs" means that amount calculated

by applying an overall hospital cost-to-charge ratio, calculated by dividing gross operating expenses less other operating revenue by gross inpatient and outpatient revenue, as reported quarterly to the office, to uncompensated care charges.

(c) The office shall compute the following data on uncompensated care costs reported by hospitals located within each MISD county and each CMSP county:

(1) The sum of uncompensated care costs for all hospitals.

(2) The sum of uncompensated care costs for all noncounty hospitals.

(3) The sum of uncompensated care costs for all county hospitals.

(4) The uncompensated care costs of each hospital within the county.

(5) The percentage derived from dividing the result of paragraph (2) by the result of paragraph (1).

(6) The percentage derived from dividing the result of paragraph (3) by the result of paragraph (1).

(7) The percentage for each individual hospital derived from dividing each noncounty hospital's uncompensated care cost in paragraph (4) by the amount in paragraph (2).

(d) The office shall transmit to the department the data specified in subdivision (c) within 30 days of the dates specified in paragraph (2) of subdivision (b) and paragraph (3) of subdivision (b) of this section.

SEC. 44. Section 16948 of the Welfare and Institutions Code is amended to read:

16948. (a) Commencing with the 1990-91 fiscal year, within 10 working days of receipt of funds allocated pursuant to Section 16941 and Section 16932, the county shall distribute to each noncounty hospital that hospital's share of the funds pursuant to paragraph (1) of subdivision (b) of Section 16946.

(b) Each noncounty hospital which receives funds pursuant to paragraph (1) of subdivision (b) of Section 16946 shall report to the county within 30 days after the receipt of the funds, information on patients for whom the distributions were used, pursuant to Section 16918.

(c) The county shall suspend distribution of funds to any noncounty hospital which fails to provide the information required pursuant to subdivision (b) until the hospital provides the required information.

SEC. 45. Section 16952 of the Welfare and Institutions Code is amended to read:

16952. (a) (1) Each county shall establish within its emergency medical services fund a Physician Services Account. Each county shall deposit in the Physician Services Account those funds appropriated by the Legislature for the purposes of the Physician Services Account of the fund.

(2) (A) Each county may encumber sufficient funds to reimburse physician losses incurred during the fiscal year for which bills will not

be received until after the fiscal year.

(B) Each county shall provide a reasonable basis for its estimate of the necessary amount encumbered.

(C) All funds which are encumbered for a fiscal year shall be expended or disencumbered prior to the submission of the report of actual expenditures required by Sections 16938 and 16980.

(b) Funds deposited in the Physician Services Account in the county emergency medical services fund shall be exempt from the percentage allocations set forth in subdivision (a) of Section 1797.98. However, funds in the county Physician Services Account shall not be used to reimburse for physician services provided by physicians employed by county hospitals.

No physician who provides physician services in a primary care clinic which receives funds from this act shall be eligible for reimbursement from the Physician Services Account for any losses incurred in the provision of those services.

(c) The county physician services account shall be administered by each county, except that a county electing to have the state administer its medically indigent adult program as authorized by Section 16809, may also elect to have its county physician services account administered by the state in accordance with Section 16954.

(d) Costs of administering the account shall be reimbursed by the account, up to 10 percent of the amount of the account.

(e) For purposes of this article "administering agency" means the agency designated by the board of supervisors to administer this article, or the department, in the case of those CMSP counties electing to have the state administer this article on their behalf.

(f) The county Physician Services Account shall be used to reimburse physicians for losses incurred for services provided during the fiscal year of allocation due to patients who cannot afford to pay for those services, and for whom payment will not be made through any private coverage or by any program funded in whole or in part by the federal government.

(g) (1) Reimbursement for losses shall be limited to emergency services as defined in Section 16953, obstetric, and pediatric services as defined in Sections 16905.5 and 16907.5, respectively.

(2) It is the intent of this subdivision to allow reimbursement for all of the following:

(A) All inpatient and outpatient obstetric services which are medically necessary, as determined by the attending physician.

(B) All inpatient and outpatient pediatric services which are medically necessary, as determined by the attending physician.

(h) No physician shall be reimbursed for more than 50 percent of the losses submitted to the administering agency.

SEC. 46. Section 16954 of the Welfare and Institutions Code is repealed.

SEC. 47. Section 16970 of the Welfare and Institutions Code is amended to read:

16970. (a) As a condition of receiving funds under this chapter,

a county shall provide, or arrange and pay for, medically necessary followup treatment, including necessary followup dental treatment and prescription drugs, for any condition detected as part of a child health and disability prevention screen for any child eligible for services under Section 24165.3 of the Health and Safety Code if the child was screened by the county or upon referral by a Child Health and Disability Prevention Program provider, unless the child is eligible to receive care with no share of cost under the Medi-Cal program or is covered under another publicly funded program, or the services are payable under private insurance coverage.

(b) A county may require that hospitals, physicians, dentists, and other providers receiving funds appropriated pursuant to this part participate in complying with this section, provided that:

(1) Hospitals that receive an allocation pursuant to paragraph (1) of subdivision (b) of Section 16946 and physicians who receive payment from the Physician Services Account of the emergency medical services fund established pursuant to Article 3.5 (commencing with Section 16951) shall not be required to participate in complying with subdivision (a) as a condition of receiving those allocations or payments.

(2) Only providers that contract with the county and receive funds disbursed from the Unallocated Account pursuant to Article 4 (commencing with Section 16960) or from the discretionary portion of the Physician Services Account pursuant to subdivision (b) of Section 16950, or from the discretionary portion of the Hospital Services Account pursuant to paragraph (2) of subdivision (b) of Section 16946 may be required to participate in complying with subdivision (a).

(c) Dental services provided pursuant to this section shall be at least equal in scope and frequency to dental services available to Medi-Cal eligible children of the same age.

(d) Counties shall implement this section in consultation and coordination with their child health disability prevention programs.

SEC. 48. Section 16980 of the Welfare and Institutions Code is amended to read:

16980. (a) The department shall make initial monthly payments of county allocations made pursuant to Section 16941 upon application of the county assuring that it will comply with the provisions of this part. Payments shall be made on a monthly basis. Payments made beyond February 15 of each fiscal year, shall be contingent upon the signing of an agreement between the county board of supervisors and the department.

(b) (1) Each county shall submit a report of expenditures and other information to the department according to procedures established by the department. The department shall review the report submitted pursuant to this paragraph and recoup unspent moneys, or any expenditures that are not in compliance with this chapter or the requirements established pursuant to Section 16990.

(2) Beginning with the 1990-91 fiscal year, each county shall

include an estimate of, and the costs and funding arrangement for, dental services in its information submitted pursuant to paragraph (1).

SEC. 49. Section 16981 of the Welfare and Institutions Code is amended to read:

16981. (a) The department shall conduct fiscal and program reviews to ensure county compliance with the provisions of this part, and shall report annually the results of these reviews to the Legislature. The department may withhold funds, up to the total amount of funds allocated under this chapter, if a county fails to correct deficiencies in the program after receiving written notice of noncompliance from the department.

(b) The department shall recoup funds which were provided pursuant to this chapter and Chapter 4 (commencing with Section 16930) if they were not encumbered or expended according to the requirements of this chapter or Chapter 4 respectively within the fiscal year according to procedures and reports required by the department. The funds shall revert to the CHIP Account or Rural Health Services Account respectively.

SEC. 50. Section 16997.1 of the Welfare and Institutions Code is amended to read:

16997.1. This part shall remain operative only until July 1, 1996, and shall remain in effect only until January 1, 1997, and as of that date is repealed, unless a later enacted statute, which is effective on or before January 1, 1997, deletes or extends that date.

SEC. 51. Section 43 of Chapter 278 of the Statutes of 1991 is amended to read:

Sec. 43. In the event that funds in the Cigarette and Tobacco Products Surtax Fund are insufficient to fund the appropriations set forth in this act or the appropriation for a particular program is insufficient to meet the expenditure needs, the following provisions shall apply:

(a) (1) The Director of Finance may authorize the augmentation or reduction of the amount available for expenditure for a program designated in the schedule set forth for any appropriation in this act by transfer from or transfer to any of the other designated programs within this act. These transfers may be authorized not sooner than 60 days after notification in writing of the necessity thereof is provided to the chairpersons of the committees in each house which consider appropriations, and the Chairperson of the Joint Legislative Budget Committee, the chairs of the committees of each house which consider health policy, or not sooner than whatever lesser time the Chairperson of the Joint Legislative Budget Committee, or his or her designee, may in each instance determine.

(2) Copies of any notifications required by subparagraph (A) shall be provided to organizations representing programs that receive funding under this act, and to counties, which request in writing that they be informed of such notifications.

(b) The Director of Finance may not authorize the augmentation

of the amount available for expenditure from the Cigarette and Tobacco Products Surtax Fund for any new program activities not identified in the schedule set forth in this act.

(c) (1) The Director of Finance shall provide sufficient funding for those programs authorized pursuant to Section 14148.5 of the Welfare and Institutions Code, Section 16809.5 of the Welfare and Institutions Code, and Section 24165.3 of the Health and Safety Code and the media campaign under subdivision (e) of Section 24164 of the Health and Safety Code, as amended by this act, and shall reduce funding for the remaining programs on a pro rata basis except as provided in paragraph (2). Those pro rata reductions may include reductions necessary to ensure an adequate reserve in each account, not to exceed 2 percent of the estimated funds available for expenditure in each account during a fiscal year.

(2) In the 1994-95 fiscal year, funding from the Cigarette and Tobacco Products Surtax Fund for programs authorized in Part 6.3 (commencing with Section 12695) and Part 6.5 (commencing with Section 12700) of Division 2 of the Insurance Code shall not be reduced or increased by the Director of Finance pursuant to this section. The reserve in each account may be expended to meet the cost of caseload growth and other increases in program costs.

(d) Any revenues in excess of the amount needed to fund appropriations in this act shall be included in the reserves identified in subdivision (c).

SEC. 53. For the 1994-95 fiscal year, the sum of three hundred ninety-six million one hundred fifty-eight thousand dollars (\$396,158,000) is appropriated from the Cigarette and Tobacco Products Surtax Fund for the purposes of this act according to the following schedule:

(a) Eighteen million eight hundred eight thousand dollars (\$18,808,000) to the State Department of Education as follows:

(1) Six hundred twenty-two thousand dollars (\$622,000) for state administration.

(2) One million three hundred eighty-three thousand dollars (\$1,383,000) for county offices of education.

(3) Sixteen million eight hundred three thousand dollars (\$16,803,000) for local assistance.

(b) Seventy million eight hundred ninety-nine thousand dollars (\$70,899,000) from the Health Education Account to the State Department of Health Services, as follows:

(1) Eight hundred fifteen thousand dollars (\$815,000) for state administration.

(2) Twelve million one hundred ninety-seven thousand dollars (\$12,197,000) for the health education media campaign pursuant to Section 24164 of the Health and Safety Code.

(3) Twenty-nine million eight hundred sixty-nine thousand dollars (\$29,869,000) for health screening and education services provided through the Child Health Disability Program contained in Article 3.4 (commencing with Section 320) of Chapter 2 of Part 1 of

Division 1 of the Health and Safety Code pursuant to Section 24165.3 of the Health and Safety Code.

(4) Ten million nine hundred thirty-nine thousand dollars (\$10,939,000) for establishment of competitive grants pursuant to Section 24165 of the Health and Safety Code.

(5) Seventeen million seventy-nine thousand dollars (\$17,079,000) for allocation to local lead agencies upon the approval of the local plans by the State Department of Health Services pursuant to Section 24165.5 of the Health and Safety Code.

(c) One hundred thirty-three million six hundred thirty thousand dollars (\$133,630,000) from the Hospital Services Account to the State Department of Health Services, as follows:

(1) One million one hundred fifteen thousand dollars (\$1,115,000) for allocation to children's hospitals pursuant to Chapter 6 (commencing with Section 16996) of Part 4.7 of Division 9 of the Welfare and Institutions Code.

(2) Four million nine hundred sixty-one thousand dollars (\$4,961,000) for allocation to CMSP counties for expansion of services.

(3) One hundred twenty million five hundred sixty-eight thousand dollars (\$120,568,000) for allocation to counties participating in the California Healthcare for Indigents Program pursuant to Chapter 5 (commencing with Section 16940) of Part 4.7 of Division 9 of the Welfare and Institutions Code.

(4) One million four hundred seventeen thousand dollars (\$1,417,000) for allocation to counties for uncompensated rural health services under Chapter 4 (commencing with Section 16930) of Part 4.7 of Division 9 of the Welfare and Institutions Code.

(5) Nine hundred ninety-four thousand dollars (\$994,000) to the State Department of Health Services for state administration.

(6) One million nine hundred eighty-one thousand dollars (\$1,981,000) for expansion of perinatal services pursuant to Section 14148.5 of the Welfare and Institutions Code.

(7) Two million five hundred ninety-four thousand (\$2,594,000) for allocation to the counties participating in the California Healthcare for Indigents Program pursuant to Chapter 5 (commencing with Section 16940) of Part 4.7 of Division 9 of the Welfare and Institutions Code.

(d) Four million nine hundred thirty-nine thousand dollars (\$4,939,000) from the Hospital Services Account for transfer to the Perinatal Insurance Fund for the implementation of Part 6.3 (commencing with Section 12695) of Division 2 of the Insurance Code.

(e) Twenty million four hundred thirty-seven thousand dollars (\$20,437,000) from the Physicians Services Account to the State Department of Health Services, as follows:

(1) Two million one hundred six thousand dollars (\$2,106,000) for clinic services pursuant to Part 6.9 (commencing with Section 1189.101) of Division 1 of the Health and Safety Code.

(2) One million nine hundred eighty-one thousand dollars (\$1,981,000) for expansion of perinatal services pursuant to Section 14148.5 of the Welfare and Institutions Code.

(3) One million nine hundred eighty-six thousand dollars (\$1,986,000) for allocation to CMSP counties for expansion of health services.

(4) Thirteen million three hundred seventy-four thousand dollars (\$13,374,000) for allocation to counties participating in the California Healthcare for Indigents Program pursuant to Chapter 5 (commencing with Section 16930) of Part 4.7 of Division 9 of the Welfare and Institutions Code.

(5) Seven hundred twenty-eight thousand dollars (\$728,000) for allocation to counties for rural health services pursuant to Chapter 4 (commencing with Section 16930) of Part 4.7 of Division 9 of the Welfare and Institutions Code.

(6) Two hundred sixty-two thousand dollars (\$262,000) to the State Department of Health Services for state administration.

(f) Thirteen million six hundred seventy-six thousand dollars (\$13,676,000) from the Physician Services Account for transfer to the Perinatal Insurance Fund for the implementation of Part 6.3 (commencing with Section 12695) of Division 2 of the Insurance Code.

(g) Sixty-one million twelve thousand dollars (\$61,012,000) from the Unallocated Account to the State Department of Health Services, as follows:

(1) Eight million nine hundred three thousand dollars (\$8,903,000) for clinic services pursuant to Part 6.9 (commencing with Section 1189.101) of Division 1 of the Health and Safety Code.

(2) Five million seventy-one thousand dollars (\$5,071,000) for allocation to CMSP counties for expansion of health services.

(3) Thirty-four million four hundred eleven thousand dollars (\$34,411,000) for allocation to counties participating in the California Healthcare for Indigents Program pursuant to Chapter 5 (commencing with Section 16940) of Part 4.7 of Division 9 of the Welfare and Institutions Code.

(4) Seven hundred ninety-eight thousand dollars (\$798,000) for allocation to counties for uncompensated rural health services under Chapter 4 (commencing with Section 16930) of Part 4.7 of Division 9 of the Welfare and Institutions Code.

(5) Three million sixty-eight thousand dollars (\$3,068,000) for state administration.

(6) Eight million seven hundred sixty-one thousand dollars (\$8,761,000) for education and screening services provided through the Child Health Disability Prevention Program contained in Article 3.4 (commencing with Section 320) of Chapter 2 of Part 1 of Division 1 of the Health and Safety Code pursuant to Section 24165.3 of the Health and Safety Code.

(h) Thirty-nine million dollars (\$39,000,000) from the Unallocated Account for transfer to the Perinatal Insurance Fund for the

implementation of Part 6.3 (commencing with Section 12695) of Division 2 of the Insurance Code.

(i) Three hundred thirty-nine thousand dollars (\$339,000) from the Unallocated Account to the State Department of Education for local assistance pursuant to Section 24167 of the Health and Safety Code.

(j) Four million dollars (\$4,000,000) from the Research Account to the University of California. Of this amount, three hundred fifty thousand dollars (\$350,000) shall be used for an antitobacco student health assessment pursuant to Section 49460 of the Education Code.

(k) Three million dollars (\$3,000,000) from the Research Account for clinic services pursuant to Part 6.9 (commencing with Section 1189.101) of Division 1 of the Health and Safety Code.

(l) Three million three hundred thousand dollars (\$3,300,000) from the Research Account for health screening services provided through the Children's Health Disability Prevention Program contained in Article 3.4 (commencing with Section 320) of the Health and Safety Code.

(m) Five million dollars (\$5,000,000) from the Research Account for the California Children's Services program contained in Article 2 (commencing with Section 248) of Chapter 2 of Division 1 of the Health and Safety Code.

(n) Four million dollars (\$4,000,000) from the Research Account for the Genetically Handicapped Persons Program contained in Article 3.6 (commencing with Section 340) of Chapter 2 of Part 1 of Division 1 of the Health and Safety Code.

(o) Three million one hundred eighteen thousand dollars (\$3,118,000) from the Research Account for operation of the Tobacco Education and Research Oversight Committee under Section 24162 of the Health and Safety Code and for a systematic and independent research and evaluation conducted pursuant to Section 24164 of the Health and Safety Code and Section 58 of this act.

(p) Eleven million dollars (\$11,000,000) from the Research Account for transfer to the Perinatal Insurance Fund for the implementation of Part 6.3 (commencing with Section 12695) of Division 2 of the Insurance Code.

SEC. 54. For the 1995-96 fiscal year, the sum of three hundred eighty-one million twenty-four thousand dollars (\$381,024,000) is appropriated from the Cigarette and Tobacco Products Surtax Fund for the purposes of this act according to the following schedule:

(a) Sixteen million seven hundred fifty-seven thousand dollars (\$16,757,000) to the State Department of Education as follows:

(1) Five hundred forty-two thousand dollars (\$542,000) for state administration.

(2) One million two hundred thirty-three thousand dollars (\$1,233,000) for county offices of education.

(3) Fourteen million nine hundred eighty-two thousand dollars (\$14,982,000) for local assistance.

(b) Seventy million four hundred thirty-seven thousand dollars

(\$70,437,000) from the Health Education Account to the State Department of Health Services, as follows:

(1) Seven hundred twenty-six thousand dollars (\$726,000) for state administration.

(2) Twelve million one hundred ninety-seven thousand dollars (\$12,197,000) to the health education media campaign pursuant to Section 24164 of the Health and Safety Code.

(3) Thirty-two million five hundred thirty-one thousand dollars (\$32,531,000) for health screening and education services provided through the Child Health Disability Program contained in Article 3.4 (commencing with Section 320) of Chapter 2 of Part 1 of Division 1 of the Health and Safety Code pursuant to Section 24165.3 of the Health and Safety Code.

(4) Nine million seven hundred fifty-four thousand dollars (\$9,754,000) for establishment of competitive grants pursuant to Section 24165 of the Health and Safety Code.

(5) Fifteen million two hundred twenty-nine thousand dollars (\$15,229,000) for allocation to local lead agencies upon the approval of the local plans by the State Department of Health Services pursuant to Section 24165.5 of the Health and Safety Code.

(c) One hundred twenty-nine million four hundred ninety-eight thousand dollars (\$129,498,000) from the Hospital Services Account to the State Department of Health Services, as follows:

(1) One million seventy-eight thousand dollars (\$1,078,000) for allocation to children's hospitals pursuant to Chapter 6 (commencing with Section 16996) of Part 4.7 of Division 9 of the Welfare and Institutions Code.

(2) Four million nine hundred sixty-one thousand dollars (\$4,961,000) for allocation to CMSP counties for expansion of services.

(3) One hundred sixteen million five hundred ninety-five thousand dollars (\$116,595,000) for allocation to counties participating in the California Healthcare for Indigents Program pursuant to Chapter 5 (commencing with Section 16940) of Part 4.7 of Division 9 of the Welfare and Institutions Code.

(4) One million three hundred seventy thousand dollars (\$1,370,000) for allocation to counties for uncompensated rural health services under Chapter 4 (commencing with Section 16930) of Part 4.7 of Division 9 of the Welfare and Institutions Code.

(5) Nine hundred sixty-two thousand dollars (\$962,000) to the State Department of Health Services for state administration.

(6) One million nine hundred eighty-one thousand dollars (\$1,981,000) for expansion of perinatal services pursuant to Section 14148.5 of the Welfare and Institutions Code.

(7) Two million five hundred fifty-one thousand dollars (\$2,551,000) for allocation to the counties participating in the California Healthcare for Indigents Program pursuant to Chapter 5 (commencing with Section 16940) of Part 4.7 of Division 9 of the Welfare and Institutions Code.

(d) Four million nine hundred thirty-nine thousand dollars (\$4,939,000) from the Hospital Services Account for transfer to the Perinatal Insurance Fund for the implementation of Part 6.3 (commencing with Section 12695) of Division 2 of the Insurance Code.

(e) Eighteen million eight hundred fifty-six thousand dollars (\$18,856,000) from the Physicians Services Account to the State Department of Health Services, as follows:

(1) One million nine hundred four thousand dollars (\$1,904,000) for clinic services pursuant to Part 6.9 (commencing with Section 1189.101) of Division 1 of the Health and Safety Code.

(2) One million nine hundred eighty-one thousand dollars (\$1,981,000) for expansion of perinatal services pursuant to Section 14148.5 of the Welfare and Institutions Code.

(3) One million nine hundred eighty-six thousand dollars (\$1,986,000) for allocation to CMSP counties for expansion of health services.

(4) Twelve million ninety thousand dollars (\$12,090,000) for allocation to counties participating in the California Healthcare for Indigents Program pursuant to Chapter 5 (commencing with Section 16940) of Part 4.7 of Division 9 of the Welfare and Institutions Code.

(5) Six hundred fifty-eight thousand dollars (\$658,000) for allocation to counties for rural health services pursuant to Chapter 4 (commencing with Section 16930) of Part 4.7 of Division 9 of the Welfare and Institutions Code.

(6) Two hundred thirty-seven thousand dollars (\$237,000) to the State Department of Health Services for state administration.

(f) Thirteen million six hundred seventy-six thousand dollars (\$13,676,000) from the Physician Services Account for transfer to the Perinatal Insurance Fund for the implementation of Part 6.3 (commencing with Section 12695) of Division 2 of the Insurance Code.

(g) Fifty-seven million four hundred thirty thousand dollars (\$57,430,000) from the Unallocated Account to the State Department of Health Services, as follows:

(1) Eight million two hundred twenty-seven thousand dollars (\$8,227,000) for clinic services pursuant to Part 6.9 (commencing with Section 1189.101) of Division 1 of the Health and Safety Code.

(2) Five million seventy-one thousand dollars (\$5,071,000) for allocation to CMSP counties for expansion of health services.

(3) Thirty-one million seven hundred ninety-seven thousand dollars (\$31,797,000) for allocation to counties participating in the California Healthcare for Indigents Program pursuant to Chapter 5 (commencing with Section 16940) of Part 4.7 of Division 9 of the Welfare and Institutions Code.

(4) Seven hundred thirty-eight thousand dollars (\$738,000) for allocation to counties for uncompensated rural health services under Chapter 4 (commencing with Section 16930) of Part 4.7 of Division

9 of the Welfare and Institutions Code.

(5) Two million eight hundred thirty-six thousand dollars (\$2,836,000) for state administration.

(6) Eight million seven hundred sixty-one thousand dollars (\$8,761,000) for education and screening services provided through the Child Health Disability Prevention Program contained in Article 3.4 (commencing with Section 320) of Chapter 2 of Part 1 of Division 1 of the Health and Safety Code pursuant to Section 24165.3 of the Health and Safety Code.

(h) Thirty-nine million dollars (\$39,000,000) from the Unallocated Account for transfer to the Perinatal Insurance Fund for the implementation of Part 6.3 (commencing with Section 12695) of Division 2 of the Insurance Code.

(i) Three hundred thirteen thousand dollars (\$313,000) from the Unallocated Account to the State Department of Education for local assistance pursuant to Section 24167 of the Health and Safety Code.

(j) Four million dollars (\$4,000,000) from the Research Account to the University of California.

(k) Three million dollars (\$3,000,000) from the Research Account for clinic services pursuant to Part 6.9 (commencing with Section 1189.101) of Division 1 of the Health and Safety Code.

(l) Five million dollars (\$5,000,000) from the Research Account for the California Children's Services program contained in Article 2 (commencing with Section 248) of Chapter 2 of Division 1 of the Health and Safety Code.

(m) Four million dollars (\$4,000,000) from the Research Account for the Genetically Handicapped Persons Program contained in Article 3.6 (commencing with Section 340) of Chapter 2 of Part 1 of Division 1 of the Health and Safety Code.

(n) Three million one hundred eighteen thousand dollars (\$3,118,000) from the Research Account for operation of the Tobacco Education and Research Oversight Committee under Section 24162 of the Health and Safety Code and for a systematic and independent research and evaluation conducted pursuant to Section 24164 of the Health and Safety Code and Section 58 of this act.

(o) Eleven million dollars (\$11,000,000) from the Research Account for transfer to the Perinatal Insurance Fund for the implementation of Part 6.3 (commencing with Section 12695) of Division 2 of the Insurance Code.

SEC. 55. The State Department of Health Services may adopt emergency regulations pursuant to Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code and Sections 14105.4 and 14105.5 of the Welfare and Institutions Code to implement this act. The adoption of these regulations shall be deemed to be an emergency and necessary for the immediate preservation of the public peace, health, or safety.

SEC. 56. All funds derived from the imposition of taxes pursuant to Article 2 (commencing with Section 30121) of Chapter 2 of Part 13 of Division 2 of the Revenue and Taxation Code, which are

appropriated for the purposes of this act, shall be used to supplement existing levels of services provided and shall not be used to fund existing levels of service.

SEC. 57. No funds derived from the imposition of taxes pursuant to Article 2 (commencing with Section 30121) of Chapter 2 of Part 13 of Division 2 of the Revenue and Taxation Code, which are appropriated from the Hospital Services Account, the Physician Services Account, or the Unallocated Account in the Cigarette and Tobacco Products Surtax Fund, for the purposes of this act, shall be used to pay for services except for the treatment of patients who cannot afford to pay for those services, and for whom payment will not be made through any private coverage or by any program funded in whole or in part by the federal government.

SEC. 58. (a) The State Department of Health Services shall contract for an evaluation of the effectiveness of the Child Health and Disability Prevention Program provided in Article 3.4 (commencing with Section 320) of Chapter 2 of Division 1 of the Health and Safety Code in meeting its statutory mandate to incorporate an antitobacco education component into the Child Health and Disability Prevention Program health assessment process.

(b) The organization receiving the contract to provide the evaluation shall have recognized expertise in the area of health program evaluation and shall not be a current recipient of grant funds from the Health Education Account of the Cigarette and Tobacco Products Surtax Fund.

(c) The evaluation required by this section shall include a consideration, at a minimum, of all the following factors:

(1) The protocols developed by the Child Health and Disability Prevention Program as a guideline for providers to use in incorporating tobacco education into the health assessment process.

(2) Training and other resources that were made available to providers to facilitate exploration, counseling, and referral in connection with tobacco use.

(3) The effect of the addition of three tobacco use questions to the PM-160 invoice and data form on provider behavior in dealing with tobacco use issues.

(4) Changes in provider behavior as a result of training and resources provided through the Child Health and Disability Prevention Program, including provider behavior with respect to patients and parents who are not under the Child Health and Disability Prevention Program.

(5) Measurable changes in the behavior of patients or parents, or both, as a result of providers' questions, advice, and counseling or referral or both.

(d) It the intent of the Legislature that, at a minimum, information for the evaluation shall be gathered from Child Health and Disability Prevention Program providers, county Child Health and Disability Prevention Program staff, children who have received

services under the Child Health and Disability Prevention Program or their parents, or both.

(e) Samples gathered for the evaluation required by this section shall appropriately reflect the age, gender, and ethnicity of groups from which information is gathered pursuant to this section.

(f) The State Department of Health Services shall provide the results of the evaluation required by this section to the appropriate committees of the Legislature no later than January 1, 1996.

SEC. 59. (a) It is the intent of the Legislature that the University of California contract for an independent research, evaluation, and monitoring of all health spending funded by the Tobacco Tax and Health Protection Act of 1988.

(b) The evaluation should contain recommendations to the appropriate committees of the Legislature for program spending priorities with respect to the expenditure of funds from the Cigarette and Tobacco Products Surtax Fund to achieve the stated purposes of the Tobacco Tax and Health Protection Act of 1988 if cigarette tax revenues continue to decline.

(c) (1) It is the intent of the Legislature that the University of California, in consultation with the State Department of Health Services, not later than January 1, 1995, contract for an evaluation of the effectiveness of health care services funded by the Tobacco Tax and Health Protection Act of 1988.

(2) It is the intent of the Legislature that the evaluator should submit to the Governor and the appropriate committees of the Legislature a report that contains an evaluation of the performance of indigent care programs that are funded by the Tobacco Tax and Health Protection Act of 1988.

(3) It is intent of the Legislature that the reports specified in paragraphs (1) and (2) consider outcomes, access, and eligibility for services. The report should also include the following:

(A) The populations served by Proposition 99 funded indigent care programs.

(B) The effect of Proposition 99 on the financing, organization, and delivery of indigent health care services in California.

(C) The impact of state and county fiscal conditions on the provision of indigent care services and the use of Proposition 99 funds.

(D) The effect of the implementation of Proposition 99 and spending priorities on other state policies relating to indigent care.

(E) Changes in federal, state, and county funding for indigent care since the passage of Proposition 99.

(d) It is the intent of the Legislature that the report specified in subdivision (c) cover the period commencing January 1, 1989, and ending January 1, 1995, and include recommendations for a future appropriation schedule of funds from the Cigarette and Tobacco Products Surtax Fund, including alternative spending plans that would target children, pregnant mothers, the uninsured, the medically indigent, and those persons who are uninsurable.

SEC. 60. If any provision of this act or the application thereof to any person or circumstances is held invalid, that invalidity shall not affect other provisions or applications of the act that can be given effect without the invalid provision or application, and to this end the provisions of this act are severable.

SEC. 61. Moneys in the Hospital Services Account, the Physician Services Account, the Health Education Account, and the Unallocated Account in the Cigarette and Tobacco Products Surtax Fund shall not be transferred to any other fund or account in the State Treasury, except as provided in this act or other legislation, and except for purposes of investment as provided in Article 4 (commencing with Section 16470) of Chapter 3 of Part 2 of Division 4 of Title 2 of the Government Code. All interest or other increment resulting from investment shall be deposited to the respective account.

SEC. 62. The departmental review staff required to implement Section 24165.3 of the Health and Safety Code, shall include a sufficient number of dental hygienists or similar classifications to enable the department to determine if adequate screening to detect dental disease has taken place and if followup dental treatment has occurred where indicated by the screen. The State Department of Health Services and the Department of Finance shall, to the extent there are sufficient resources available to support the activities of the program, give high priority to dental positions for Child Health and Disability Prevention Program reviews funded with Tobacco Tax revenues in order to implement the dental review required by Section 24165.3 of the Health and Safety Code.

SEC. 63. Due to the necessity to implement the mandates of Article 2 (commencing with Section 30121) of Chapter 2 of Part 13 of Division 2 of the Revenue and Taxation Code, any contract made pursuant to this act shall not be subject to Part 2 (commencing with Section 10100) of the Public Contract Code.

SEC. 64. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs which may be incurred by a local agency or school district pursuant to this act will be funded through this act. Notwithstanding Section 17580 of the Government Code, unless otherwise specified in this act, the provisions of this act shall become operative on the same date that the act takes effect pursuant to the California Constitution.

SEC. 65. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to timely provide for the administration of this act for the 1994-95 fiscal year and subsequent fiscal years, it is necessary that this act take effect immediately.

CHAPTER 196

An act to add Section 11450.04 to the Welfare and Institutions Code, relating to public social services.

[Approved by Governor July 11, 1994. Filed with
Secretary of State July 12, 1994.]

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

SECTION 1. Section 11450.04 is added to the Welfare and Institutions Code, to read:

11450.04. (a) For purposes of determining the maximum aid payment specified in subdivision (a) of Section 11450 and for no other purpose, the number of needy persons in the same family shall not be increased for any child born into a family that has received aid under this chapter continuously for the 10 months prior to the birth of the child. For purposes of this section, aid shall be considered continuous unless the family does not receive aid during two consecutive months. This subdivision shall not apply to applicants for, or recipients of, aid unless notification is provided pursuant to this section.

(b) This section shall not apply with respect to any of the following children:

(1) Any child who was conceived as a result of an act of rape, as defined in Sections 261 and 262 of the Penal Code, if the rape was reported to a law enforcement agency, medical or mental health professional or social services agency prior to, or within three months after, the birth of the child.

(2) Any child who was conceived as a result of an incestuous relationship if the relationship was reported to a medical or mental health professional or a law enforcement agency or social services agency prior to, or within three months after, the birth of the child, or if paternity has been established.

(3) Any child who was conceived as a result of contraceptive failure if the parent was using an intrauterine device, a Norplant, or the sterilization of either parent.

(c) This section shall not apply to any child born on or before November 1, 1995.

(d) (1) This section shall not apply to any child to whom it would otherwise apply if the family has not received aid for 24 consecutive months while the child was living with the family.

(2) This section shall not apply to any child conceived when either parent was a nonneedy caretaker relative.

(3) This section shall not apply to any child who is no longer living in the same home with either parent.

(e) One hundred percent of any child support payment received for a child born into the family, but for whom the maximum aid payment is not increased pursuant to this section, shall be paid to the

assistance unit. Any such child support payment shall not be considered as income to the family for the purpose of calculating the amount of aid for which the family is eligible under this article.

(f) Commencing January 1, 1995, each county welfare department shall notify applicants for assistance under this chapter, in writing, of the provisions of this section. The notification shall also be provided to recipients of aid under this chapter, in writing, at the time of recertification, or sooner. The notification required by this section shall set forth the provisions of this section and shall state explicitly the impact these provisions would have on the future aid to the assistance unit. This section shall not apply to any recipient's child earlier than 12 months after the mailing of an informational notice as required by this subdivision.

(g) (1) The department shall seek all appropriate federal waivers for the implementation of this section.

(2) The department shall implement this section commencing on the date the Director of Social Services executes a declaration, that shall be retained by the director, stating that the administrative actions required by paragraph (1) as a condition of implementation of this section have been taken by the United States Secretary of Health and Human Services.

(h) Subdivisions (a) to (g), inclusive, shall become operative on January 1, 1995.

SEC. 2. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the Legislature finds and declares that there are savings as well as costs in this act which, in the aggregate, do not result in additional net costs. Notwithstanding Section 17580 of the Government Code, unless otherwise specified in this act, the provisions of this act shall become operative on the same date that the act takes effect pursuant to the California Constitution.

CHAPTER 197

An act to repeal Part 5 (commencing with Section 580) of Division 3 of the Family Code, relating to marriage.

[Approved by Governor July 15, 1994. Filed with
Secretary of State July 18, 1994.]

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

SECTION 1. Part 5 (commencing with Section 580) of Division 3 of the Family Code is repealed.

CHAPTER 198

An act to amend Sections 17922.9, 50686.5, and 50896.3 of, and to add Sections 50517.6 and 50833.1 to, the Health and Safety Code, relating to housing, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 15, 1994. Filed with
Secretary of State July 18, 1994.]

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

SECTION 1. Section 17922.9 of the Health and Safety Code is amended to read:

17922.9. (a) The Legislature hereby finds and declares that the provision of an adequate level of affordable housing, in and of itself, is a fundamental responsibility of the state and that a generally inadequate supply of decent, safe, and sanitary housing affordable to persons of low and moderate income threatens orderly community and regional development, including job creation, attracting new private investment, and creating the physical, economic, social, and environmental conditions to support continued growth and security of all areas of the state.

The Legislature further finds and declares that many rural communities depend on mortgage financing available through the Farmers Home Administration and that the continued construction of affordable housing is a priority for the state. However, the Legislature, in requiring waiver of certain local requirements respecting adequacy of garages and carports and house size, does not endorse the restrictive Farmers Home Administration regulations that preclude financing of two-car garages and houses exceeding a maximum size.

The Legislature further finds and declares that inadequate housing supplies have a negative impact on regional development and are, therefore, a matter of statewide interest and concern.

(b) Notwithstanding any local ordinance, charter provision, or regulation to the contrary, if the applicant for a building permit for construction of a qualifying residential structure submits with the application a conditional loan commitment letter or letter of intent to finance issued by the Farmers Home Administration of the United States Department of Agriculture for the structure, the city, county, or city and county issuing the building permit shall not impose any requirement on the permit respecting the size or capacity of any appurtenant garage or carport or house size which exceeds the size or capacity that the Farmers Home Administration will finance under its then applicable regulations and policies. "Qualifying residential structure," as used in this section, means any single-family or multifamily residential structure financed by the Farmers Home Administration and which is restricted pursuant to federal law to

ownership or occupancy by households with incomes not exceeding the income criteria for persons and families of low and moderate income, as defined by Section 50093, or more restrictive income criteria.

(c) This section does not preclude a city, county, or city and county from requiring the provision of one uncovered, paved parking space located outside the required setback and outside the driveway approach to the garage or covered parking space plus a garage or covered parking space that does not exceed the size and capacity allowed for Farmers Home Administration financing. However, this setback requirement may not exceed the setbacks applicable to single-family dwelling units in the same zoning district that have two-car garages.

SEC. 1.5. Section 50517.6 is added to the Health and Safety Code, to read:

50517.6. (a) The department may set aside the amount of funds authorized by subdivision (d) for the purposes of curing or averting a default on the terms of any loan or other obligation by the recipient of financial assistance, or bidding at any foreclosure sale where the default or foreclosure sale would jeopardize the department's security in the dwelling unit assisted pursuant to this chapter.

(b) The department may use the set-aside funds made available pursuant to this chapter to repair or maintain any dwelling unit assisted pursuant to this chapter which was acquired to protect the department's security interest in the dwelling unit.

(c) The payment or advance of funds by the department pursuant to this section shall be exclusively within the department's discretion, and no person shall be deemed to have any entitlement to the payment or advance of those funds. The amount of any funds expended by the department for the purposes of curing or averting a default shall be added to any grant amount secured by the lien and shall be payable to the department upon demand.

(d) On the effective date of the act that adds this section, the department may set aside up to two hundred thousand dollars (\$200,000) from the Farmworker Housing Grant Fund for the purposes authorized by this section. On July 1 of each subsequent fiscal year, the department may set aside, for the purposes of this section, up to 4 percent of the funds available in the Farmworker Housing Grant Fund on that date.

SEC. 2. Section 50686.5 of the Health and Safety Code is amended to read:

50686.5. (a) Notwithstanding any other provision of law, any public housing authority created pursuant to Part 2 (commencing with Section 34200) of Division 24 which is providing, or proposes to provide, housing for persons requiring supportive services may apply to the federal Department of Housing and Urban Development for federal housing subsidies therefor.

(b) (1) On or after July 1, 1994, the department, with the approval of the federal Department of Housing and Urban

Development, shall transfer, in accordance with subdivision (c), all contracts entered into under this section to public housing authorities created by Part 2 (commencing with Section 34200) of Division 24. Prior to the transfer of vouchers and certificates that are specifically designated for the use of persons with disabilities, the public housing authority shall deliver to the department a letter attesting to its intent to maintain the vouchers and certificates for the use of persons with disabilities, including the maintenance of a separate list of eligible voucher and certificate applicants to the extent allowed by federal law. The list shall be specially coded and identified as a local preference for Aftercare eligible certificate and voucher holders. The department shall make copies of the letters of intent available to any person who requests that information.

(2) Each housing authority shall be required to annually report on its Aftercare activities in its annual Section 8 Certificate and Voucher Program report submitted to the federal Department of Housing and Urban Development and the department and to any representative of the disabled community that requests that information. All information in the annual Aftercare report shall be subject to public comment and review at a properly noticed Housing Authority Commission meeting.

(c) The transfers authorized pursuant to paragraph (1) of subdivision (b) shall not occur unless and until the federal Department of Housing and Urban Development, prior to March 1, 1994, has notified the department, in writing, that the transfer can be structured so that the Aftercare vouchers and certificates will continue to serve the program's existing and future clients.

SEC. 3. Section 50833.1 is added to the Health and Safety Code, to read:

50833.1. (a) In the event that the department is allocated supplemental funds in excess of the state's annual program allocation pursuant to subdivision (d) of Section 5306 of Title 42 of the United States Code to meet an extraordinary need, including funds provided to serve as an economic stimulus to the economy of California, or in the event that federal funds are required to be set aside from the department's annual allocation pursuant to federal law or regulation, the department may distribute these supplemental or federally mandated set-aside funds pursuant to guidelines to be set forth in a special Notice of Funding Availability.

(b) The distribution of supplemental or federally mandated set-aside funds under this section shall not be subject to the requirements of Sections 50831, 50832, and 50833, and shall be made notwithstanding any special allocations specified in Subchapter 2 (commencing with Section 7050) of Chapter 7 of Division 1 of Title 25 of the California Code of Regulations.

(c) The guidelines for the distribution of supplemental allocations and federally mandated set-aside funds shall not be subject to any provision of Subchapter 2 (commencing with Section 7050) of Chapter 7 of Division 1 of Title 25 of the California Code of

Regulations that the department determines to be in conflict with the purpose of, or impair the achievement of the goals of, the supplemental allocation or the federally mandated set-aside funds.

(d) The department may adopt emergency regulations to implement this section. The adoption of any emergency regulations to implement this section that are filed with the Office of Administrative Law within one year of the effective date of the federal act that allocates these supplemental funds shall be deemed to be an emergency and necessary for the immediate preservation of the public peace, health and safety, or general welfare.

SEC. 4. Section 50896.3 of the Health and Safety Code is amended to read:

50896.3. (a) All HOME funds made available to the state shall be allocated by the department for the purposes specified in HOME in accordance with the following provisions:

(1) The department may allocate state HOME funds to local agencies that do not meet the threshold entitlement in an amount not to exceed the difference between the computed entitlement and the threshold.

(2) The department may allocate HOME funds, in an amount determined by the department, to any local agency that does not receive a formula allocation.

(3) The department may allocate HOME funds to housing sponsors who are eligible to participate and meet the standards required in the housing programs authorized by Part 2 (commencing with Section 50400) of this division.

(b) The department shall, on or before January 15, 1994, adopt regulations which set forth procedures and program standards, for the combined use of HOME and state funds, that are compatible and consistent with both federal and state law.

SEC. 5. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the California Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to authorize the Department of Housing and Community Development to establish a reserve account within the Farmworker Housing Grant Fund to provide the department with the ability to cure or avert potential default or avoid a foreclosure sale that would jeopardize the department's security in dwelling units financed through the program, and in order to provide vital financial support for the other housing programs addressed by this bill, thereby taking steps to alleviate the ongoing housing crisis in California, it is necessary that this act take effect immediately.

CHAPTER 199

An act to amend Section 1502.4 of the Health and Safety Code, and to amend Sections 4096 and 4096.5 of, and to amend, repeal, and add Section 11462.01 of, the Welfare and Institutions Code, relating to foster homes, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 15, 1994. Filed with
Secretary of State July 18, 1994.]

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

SECTION 1. Section 1502.4 of the Health and Safety Code is amended to read:

1502.4. (a) (1) A community care facility licensed as a group home for children pursuant to this chapter may accept for placement, and provide care and supervision to, a child assessed as seriously emotionally disturbed as long as the child does not need inpatient care in a licensed health facility.

(2) For the purpose of this chapter, the following definitions shall apply:

(A) "Inpatient care in a licensed health facility" means care and supervision at a level greater than incidental medical services as specified in Section 1507.

(B) "Seriously emotionally disturbed" means the same as paragraph (2) of subdivision (a) of Section 5600.3 of the Welfare and Institutions Code.

(b) If a child described in subdivision (a) is placed into a group home program classified at rate classification level 13 or rate classification level 14 pursuant to Section 11462.01 of the Welfare and Institutions Code, the licensee shall meet both of the following requirements:

(1) The licensee shall agree to accept, for placement into its group home program, only children who have been assessed as seriously emotionally disturbed by either of the following:

(A) An interagency placement committee, as described in Section 4096 of the Welfare and Institutions Code or by a licensed mental health professional, as defined in Sections 629 to 633, inclusive, of Title 9 of the California Code of Regulations.

(B) A licensed mental health professional pursuant to paragraph (3) of subdivision (i), or subdivision (j), of Section 11462.01 of the Welfare and Institutions Code if the child is privately placed or only county funded.

(2) The program is certified by the State Department of Mental Health, pursuant to Section 4096.5 of the Welfare and Institutions Code, as a program that provides mental health treatment services for seriously emotionally disturbed children.

(c) The department shall not evaluate, or have any responsibility

or liability with regard to the evaluation of, the mental health treatment services provided pursuant to this section and paragraph (3) of subdivision (f) of Section 11462.01 of the Welfare and Institutions Code.

SEC. 2. Section 4096 of the Welfare and Institutions Code is amended to read:

4096. (a) (1) Interagency collaboration and children's program services shall be structured in a manner that will facilitate future implementation of the goals of the Children's Mental Health Services Act.

(2) Components shall be added to state-county performance contracts required in Section 5650 that provide for reports from counties on how this section is implemented.

(3) The department shall develop performance contract components required by paragraph (2).

(4) Performance contracts subject to this section shall document that the procedures to be implemented in compliance with this section have been approved by the county social services department and the county probation department.

(b) Funds specified in subdivision (a) of Section 17601 for services to wards of the court and dependent children of the court shall be allocated and distributed to counties based on the number of wards of the court and dependent children of the court in the county.

(c) A county may utilize funds allocated pursuant to subdivision (b) only if the county has an established and operational interagency placement committee, with a membership that includes at least the county placement agency and a licensed mental health professional from the county department of mental health. If necessary, the funds may be used for costs associated with establishing the interagency placement committee.

(d) Subsequent to the establishment of an interagency placement committee, funds allocated pursuant to subdivision (b) shall be used to provide services to wards of the court and dependent children of the court jointly identified by county mental health, social services, and probation departments as the highest priority. Every effort shall be made to match those funds with funds received pursuant to Title XIX of the federal Social Security Act, contained in Subchapter 19 (commencing with Section 1396) of Chapter 7 of Title 42 of the United States Code.

(e) (1) Each interagency placement committee shall establish procedures whereby a ward of the court or dependent child of the court, or a voluntarily placed child whose placement is funded by the Aid to Families with Dependent Children-Foster Care Program, who is to be placed or is currently placed in a group home program at a rate classification level 13 or rate classification level 14 as specified in Section 11462.01, is assessed as seriously emotionally disturbed, as defined in Section 5600.3 and Section 1502.4 of the Health and Safety Code.

(2) The assessment required by paragraph (1) shall also indicate